

**DIRECT TESTIMONY  
(Redacted)**

**of**

**Theresa Ebrey  
Accountant**

**Accounting Department  
Financial Analysis Division  
Illinois Commerce Commission**

**Request for Approval of Revisions to Delivery Services Tariffs  
and for Approval of Delivery Services Implementation Plan for  
Residential Customers**

**Central Illinois Public Service Company, d/b/a AmerenCIPS  
and  
Union Electric Company, d/b/a AmerenUE**

**Docket No. 00-0802**

**April 20, 2001**

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### **SCHEDULES**

Schedules 1.1CIPS & 1.1UE	Statement of Operating Income with Adjustments
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Schedules 1.3CIPS & 1.3UE	Rate Base
Schedules 1.4CIPS & 1.4UE	Adjustments to Rate Base
Schedules 1.5CIPS & 1.5UE	Interest Synchronization Adjustment
Schedules 1.6CIPS & 1.6UE	Gross Revenue Conversion Factor
Schedules 1.7CIPS & 1.7UE	Adjustment to Cash Working Capital
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Schedules 1.9CIPS & 1.9UE	Adjustment to Pro forma Employee Benefits
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### **ATTACHMENTS**

Attachment A	Company response to Staff data request TEE 7.01
Attachment B	Company response to Staff data request TEE 7.02
Attachment C	Company response to Staff data request TEE 6.10

1    **WITNESS IDENTIFICATION**

2    Q.     Please state your name and business address.

3    A.     My name is Theresa Ebrey. My business address is 527 East Capitol  
4           Avenue, Springfield, Illinois 62701.

5    Q.     By whom are you employed and in what capacity?

6    A.     I am an Accountant in the Accounting Department of the Financial Analysis  
7           Division of the Illinois Commerce Commission ("Commission").

8    Q.     What is the function of the Accounting Department of the Illinois Commerce  
9           Commission?

10   A.     The Department's function is to monitor the financial condition of public  
11           utilities as part of the Commission's responsibilities under Article IV of the  
12           Public Utilities Act ("the Act") and to provide accounting expertise on  
13           matters before the Commission.

14   Q.     Please describe your background and professional affiliation.

15   A.     I have a Bachelor of Science degree in Accounting from Quincy College. I  
16           am a Certified Public Accountant, licensed to practice in the State of  
17           Illinois. My prior accounting experience includes fifteen years as the  
18           corporate controller of a large long-term care facility in Illinois, as well as a  
19           period of time employed as an outside auditor of governmental agencies. I  
20           joined the Staff of the Illinois Commerce Commission ("Staff") in April 1999.

21 Q. What are your responsibilities in this case?

22 A. I have been assigned to this case by the Manager of the Accounting  
23 Department of the Commission. I am to review the Central Illinois Public  
24 Service Company ("CIPS") and Union Electric Company ("UE") filing,  
25 analyze the underlying data and propose adjustments when appropriate.

26 **PURPOSE OF TESTIMONY**

27 Q. What is the purpose of your testimony in this proceeding?

28 A. The purpose of my testimony is as follows:

- 29 1. to present the Staff adjusted operating statements and rate  
30 bases of the Company; and  
31 2. to propose adjustments to the Company's operating statements  
32 concerning annualized labor, pro forma employee benefits,  
33 employee benefits cost, incentive compensation, ARES Business  
34 Center labor, uncollectible rate, uncollectible expense, rate case  
35 expense and the annualized labor associated with CIPS  
36 Distribution O & M expense adjustment.

37 Q. Are you sponsoring any schedules as part of ICC Staff Exhibit 1.0?

38 A. Yes. I prepared the following schedules for the Company, which show  
39 data as of, or for the test year ending, December 31, 1999:

40        REVENUE REQUIREMENT SCHEDULES:

41	Schedules 1.1CIPS & 1.1UE	Statement of Operating Income with
42	Adjustments	
43	Schedules 1.2CIPS & 1.2UE	Adjustments to Operating Income
44	Schedules 1.3CIPS & 1.3UE	Rate Base
45	Schedules 1.4CIPS & 1.4UE	Adjustments to Rate Base
46	Schedules 1.5CIPS & 1.5UE	Interest Synchronization Adjustment
47	Schedules 1.6CIPS & 1.6UE	Gross Revenue Conversion Factor

48        ADJUSTMENT SCHEDULES

49	Schedules 1.7CIPS & 1.7UE	Adjustment to Cash Working Capital
50	Schedules 1.8CIPS & 1.8UE	Adjustment to Annualized Labor
51	Schedules 1.9CIPS & 1.9UE	Adjustment to Pro forma Employee
52	Benefits	
53	Schedules 1.10CIPS & 1.10UE	Adjustment to Employee Benefits Cost
54	Schedules 1.11CIPS & 1.11UE	Adjustment to Incentive Compensation
55	Schedules 1.12CIPS & 1.12UE	Adjustment to ARES Business Center
56	Labor	
57	Schedules 1.13CIPS & 1.13UE	Adjustment to Uncollectible Expense
58	Schedules 1.14CIPS & 1.14UE	Adjustment to Rate Case Expense
59	Schedule 1.15CIPS	Adjustment to Annualized Labor for
60	Distribution O&M	

61        ATTACHMENTS

- 62        Attachment A        Company response to Staff data request TEE 7.01
- 63        Attachment B        Company response to Staff data request TEE 7.02
- 64        Attachment C        Company response to Staff data request TEE 6.10

65        REVENUE REQUIREMENT

66        Q.        Please describe ICC Staff Exhibit 1.0, Schedule 1.1, Statement of  
67        Operating Income with Adjustments.

68        A.        Schedule 1.1 derives the required revenue at the Staff proposed rate of  
69        return. Column (B) presents the Company's proposed pro forma operating  
70        statement for the test year as reflected on Ameren Exhibit 3.12 for CIPS  
71        and Ameren Exhibit AD-029 for UE. Column (C) reflects the total of all  
72        Staff adjustments shown on ICC Staff Exhibit 1.0, Schedule 1.2. Column  
73        (D) reflects the Company's operating statement after Staff's adjustments.  
74        Column (E) presents the necessary change to the Company's proposed  
75        revenues to arrive at Staff's proposed revenue requirement as reflected in  
76        column (F). Net Operating Income in Column (F), line 17, is the product of  
77        Rate Base, line 18, and Rate of Return, line 19. Column (F), line 20,  
78        presents the difference between the Company's proposed revenue  
79        requirement and Staff's proposed revenue requirement. Column (F), line  
80        21, presents this difference as a percentage of the Company's proposed  
81        revenue requirement presented in Column (B), line 3.

82 Q. Please describe ICC Staff Exhibit 1.0, Schedule 1.2, Adjustments to  
83 Operating Income.

84 A. Schedule 1.2 identifies Staff's adjustment to operating income. The source  
85 of each adjustment is shown in the heading of each column. Schedule 1.2  
86 CIPS, Column (GG) is carried forward to ICC Staff Exhibit 1.0, Schedule  
87 1.1CIPS, Column (C). Schedule 1.2 UE, Column (Y) is carried forward to  
88 ICC Staff Exhibit 1.0, Schedule 1.1UE, Column (C).

89 Q. Please describe ICC Staff Exhibit 1.0, Schedule 1.3, Rate Base.

90 A. Schedule 1.3 compiles Staff's rate base. Column (B) reflects the  
91 Company's proposed pro forma rate base. Column (C) summarizes Staff's  
92 adjustment to rate base. Column (D) is the net of Columns (B) and (C),  
93 and reflects Staff's proposed rate base.

94 Q. Please describe ICC Staff Exhibit 1.0, Schedule 1.4, Adjustments to Rate  
95 Base.

96 A. Schedule 1.4 identifies Staff's adjustments to rate base. The source of  
97 each adjustment is shown in the heading of each column. Column (I) is  
98 carried forward to ICC Staff Exhibit 1.0, Schedule 1.3, Column (C).

99 **INTEREST SYNCHRONIZATION ADJUSTMENT**

100 Q. Please explain ICC Staff Exhibit 1.0, Schedule 1.5, Interest Synchronization  
101 Adjustment.



102 A. Schedule 1.5 computes the interest component of the revenue requirement.  
103 The interest expense (component) is computed by multiplying the rate base  
104 by weighted cost of debt. The calculated interest expense is then  
105 compared against the interest expense used by the Company in its  
106 computation of test year income tax expense. The tax effect of the  
107 difference in interest expense is the adjustment for interest synchronization.  
108 The effect of this adjustment is to ensure that the revenue requirement  
109 reflects the tax savings generated by the interest component included  
110 within the revenue requirement.

111 **GROSS REVENUE CONVERSION FACTOR**

112 Q. Please describe ICC Staff Exhibit 1.0, Schedule 1.6, Gross Revenue  
113 Conversion Factor.

114 A. Schedule 1.6 presents my proposed adjustment to the gross revenue  
115 conversion factor ("GRCF") to reflect a more appropriate rate for  
116 uncollectibles. The GRCF is multiplied by the income deficiency to  
117 determine the total amount of revenue required for the income deficiency  
118 and the associated increase in income tax expense and uncollectible  
119 expense. It is based upon the applicable federal tax rate, state income tax  
120 rate, and uncollectible rate.

121 Q. Are you proposing any adjustment to the GRCF as presented by the  
122 Company?

123 A. Yes. I am proposing uncollectible rates for CIPS and UE based on their  
124 respective 5 year average uncollectible rates for their electric operations.  
125 The calculation of this average, reflected on Schedule 1.13, results in rates  
126 of .42% for CIPS and .50% for UE.

127 Q. How does this differ from the Company's uncollectible rate?

128 A. On Exhibits AD-005 of its filing, the Company proposed uncollectible rates  
129 of 1.4% for CIPS and 1.6% for UE. These amounts were based on an  
130 allocation of the net write-offs for the period ending 12/31/99 expressed as  
131 a percentage of the Company's revenue requirement at the claimed return  
132 (Company Exhibit AD-048). However, the amounts included in the filing as  
133 uncollectible expense (Company Exhibit AD-030), were only .41% for CIPS  
134 and .45% for UE of the respective revenue requirement as filed by the  
135 Company. This calculation is illustrated on Staff Exhibit 1.0, Schedule 1.13,  
136 page 2.

137 In response to Staff data request TEE 7.06, the Company confirmed that  
138 the rates presented on their Exhibit AD-005 were incorrectly calculated and  
139 included revised Jurisdictional Uncollectible Expense rates. These revised  
140 rates present only a snapshot of a single point in time and are therefore not  
141 a good indicator of the Company's uncollectible experience.

142 My five year rate is reasonable because it reflects an on-going level of  
143 uncollectibles over time. Therefore, my proposed 5-year average for  
144 uncollectible expense should be approved.

145 **CASH WORKING CAPITAL**

146 Q. Explain Staff Exhibit 1.0, Schedule 1.7, Adjustment to Cash Working  
147 Capital.

148 A. Schedule 1.7 presents my adjustments to remove the \$1,287,000 for CIPS  
149 and \$207,000 for UE that the Company has included as a rate base item  
150 based solely upon a prepayment methodology. Historically, prepayments  
151 have not been an acceptable indication of working capital. Therefore, I am  
152 not allowing any prepayment amounts for working capital purposes.

153 Q. Discuss the Company's Cash Working Capital proposal.

154 A. The Company has requested a working capital allowance for prepayments.  
155 It has included what appears to be a thirteen month average of prepaid  
156 taxes (consumer and use taxes, Illinois franchise taxes and utility tax  
157 payments), insurance, Regulatory Commission assessments, airfare, and  
158 installation of a fiber optic communication system of the Company. But the  
159 Company has not provided a complete analysis of the prepaid balance  
160 sheet items it is including in working capital. For instance, it has not  
161 included real estate taxes which the Company pays after the expense is

162 incurred as an offset to the prepayments it has listed. In a prior CIPS rate  
163 relief Order in Docket No. 77-0375, the Commission disallowed  
164 prepayments from rate base. Page 12 of the Order in that Docket states:

165 Through rates in effect during any period of  
166 time, the Company accrues other expenses not  
167 requiring an immediate cash outlay, e.g. real  
168 estate and personal property taxes. The 13  
169 month average balance of accrued real estate  
170 and personal property taxes are more than  
171 adequate to offset amounts claimed by the  
172 Company for prepayments. The Commission is  
173 of the opinion that the Company's proposed  
174 adjustment representing an amount of  
175 prepayments should not be allowed.

176 In Docket No. 91-0193, a prior CIPS rate case, the Commission Order  
177 addressed the issue of working capital. At page 53 of the Order the  
178 Commission stated that the evidence about the balance sheet approach  
179 was as follows:

180 The balance sheet approach involves the  
181 summation of account balances of all assets  
182 applicable to utility operations which are not  
183 included in the net plant accounts, offset by the  
184 account balances of current liabilities or  
185 deferred credits applicable to utility operations  
186 which have not otherwise been considered in  
187 the rate base of return computation. Where  
188 earnings are credited below the line, the related  
189 assets would not be included in the computation  
190 of the working capital allowance using the  
191 balance sheet method. Similarly, interest-  
192 bearing liabilities supporting utility operations,  
193 such as notes payable, should not be used to  
194 offset, or reduce, the working capital  
195 requirement since these liabilities represent  
196 investor-supplied funds for which interest

expense is separately charged below the line.  
The result of the balance sheet approach  
should be to determine an amount of non-plant  
operating assets, as offset by non-investor-  
supplied funds related to utility operations. This  
amount would be included in rate base in order  
to compensate investors for the financing of this  
net operating receivable.

The Order quoted CIPS comments which were as follows:

CIPS argued that since the purpose of a  
working capital analysis is to determine the  
appropriate level of investor-supplied funds  
dedicated to the provision of utility service, a  
working capital analysis must properly  
distinguished between operating and non-  
operating items. The Company argued that an  
accepted balance sheet approach typically  
involves a detailed analysis of utility current  
assets (receivables) and utility current liabilities  
(payables) to appropriately determine the  
Company's net working capital position related  
to utility operations.

The Commission commented about the Lead-Lag Study approach at page  
56 of the Order:

The Commission further concludes that the  
lead-lag study approach better represents the  
operating characteristics of a utility and more  
precisely measures the working capital effect  
than a balance sheet approach. (Central Illinois  
Public Service Company, Ill. C.C. Docket No.  
91-0193, Order Date March 18, 1992).

The first two paragraphs presented above, including an argument by CIPS  
on what should be contained in a balance sheet approach for computing  
working capital, demonstrate that listing only certain prepayments, as the

231 Company has proposed in this current case, does not qualify for proper  
232 working capital consideration.

233 The first paragraph quoted above, where the Commission discusses what  
234 evidence should be contained in a balance sheet approach for computing  
235 working capital, demonstrates that listing only certain prepayments does  
236 not qualify for proper working capital consideration. In this filing, the  
237 Company has not provided the detailed analysis of balance sheet items to  
238 support inclusion of prepayments in its working capital allowance. The  
239 Commission also states that the Company had argued that a detailed  
240 analysis of current assets and current liabilities is needed to determine  
241 working capital allowance, yet the Company has not provided this type of  
242 analysis. In the previous Rate Order, the Commission concluded that the  
243 lead-lag method better represents working capital. The Company has not  
244 presented such a lead/lag method, nor have the results of any such study  
245 been used in this filing.

246 In Docket No. 99-0121, in which the Company presented an identical  
247 position for Working Capital, it accepted Staff's adjustment to eliminate the  
248 requested working capital allowance.

**ANNUALIZED WAGE ADJUSTMENT**

Q. Explain ICC Staff Exhibit 1.0, Schedule 1.8, Adjustment to Annualized Wage.

A. Schedule 1.8 presents my adjustment to the Company's annualized wage increase reducing the wage increase for 2000 from 4% to 3% for all employees in order to reflect a more normal level of wages expense.

Q. Why is 3% a more reasonable level of increase?

A. As indicated from the labor contracts provided in response to Staff Data request AD-002, for every period in all contracts except one, the annual amount of increase is 3%. Only the contract for Local 1455 grants a 4% lump sum payment in July 2000, with no increase in the hourly wage for these employees. In fact the pay increase granted in 2001 for Local 1455 is based on the hourly wages which went into effect July 1, 1999.

Pro forma adjustments are to present significant changes to expenses but they are also to present a normal level of expense. As illustrated by a review of the labor contracts, a normal level of pay increase for 2000 is 3%.

**EMPLOYEE BENEFITS PRO FORMA ADJUSTMENT**

Q. Explain ICC Staff Exhibit 1.0, Schedule 1.9, Adjustment to Pro forma Employee Benefits.

269 A. Schedule 1.9 presents my adjustment to Employee Benefits which refines  
270 the Company's adjustment with the following information:

- 271 1) Using actual 2000 expense amounts instead of the 2000 Budget  
272 figures used by the Company and  
273 2) Applying a 2000 Labor allocator to the Year 2000 data instead  
274 of the 1999 labor allocator.

275 Q. Explain your rationale for using actual 2000 expense amounts instead of the  
276 Company's 2000 Budget figures.

277 A. The Company is proposing to adjust employee benefit expenses for the  
278 significant changes it had budgeted to occur in 2000. The actual data for  
279 the year ended 12/31/2000 reflects significant changes to the employee  
280 benefits expense. Actual benefit expenses for 2000 present a better  
281 normalized level than the estimated budget amount. The Company's  
282 budgeted 2000 amount provides an improper level because it is overstated  
283 as illustrated by the comparison to 2000 actual expenses.

284 Q. Explain your rationale for applying a 2000 Labor allocator to the Year 2000  
285 data instead of the 1999 labor allocator.

286 A. During 2000 CIPS transferred its generation operations to GENCO, thus  
287 affecting the respective labor costs associated with generation,  
288 transmission and distribution and changing the effective Labor allocator.  
289 Therefore a labor allocator based on 2000 labor costs should be applied to



290 the employee benefits incurred in 2000 to determine the correct level to be  
291 recovered through delivery services. The Company provided this labor  
292 allocator in the revised response to Staff data request TEE 6.09.

293 **EMPLOYEE BENEFITS COST ADJUSTMENT**

294 Q. Explain ICC Staff Exhibit 1.0, Schedule 1.10, Adjustment to Employee  
295 Benefits Cost.

296 A. Schedule 1.10 shows my proposed disallowance of certain retirement and  
297 deferred compensation plans because the plans are discriminatory. The  
298 plans provide for benefits for just a small number of higher paid employees  
299 who are also included under the pension plan that covers all employees.

300 The Commission, in CIPS' last gas rate case, Docket No. 98-0545, did not  
301 allow the cost of these retirement and deferred compensation plans to be  
302 included in the revenue requirement (Order Docket No. 98-0545, p. 7).  
303 Likewise, in Docket No. 99-0121, the Commission adopted Staff's  
304 recommendation to disallow the costs for these same benefit plans. In my  
305 opinion, the cost of these plans should not be recoverable in delivery  
306 service tariffs.

307 **ADJUSTMENT TO INCENTIVE COMPENSATION PLANS**

308 Q. Please describe Staff Exhibit 1, Schedule 1.11, Adjustment to Incentive  
309 Compensation Plans.

310 A. Schedule 1.11 reflects my proposed adjustment to operating income to  
311 disallow labor and the associated payroll tax expense related to incentive  
312 compensation plans.

313 Q. Please explain your reason for disallowing the amounts associated with  
314 incentive compensation.

315 A. I am disallowing the costs associated with incentive compensation  
316 because:

- 317 1) the plan is dependent upon financial goals of the Company which  
318 benefit shareholders and not ratepayers;
- 319 2) the goals in the plan may not be met and thus no cost would be  
320 incurred by the Company yet ratepayers would have provided  
321 funding;
- 322 3) the plan is discretionary and may be discontinued at any time;
- 323 4) there is no comparable historical data on which to determine if  
324 the test year level is reflective of a "normal" level; and
- 325 5) prior Commission precedent supports the disallowance of  
326 incentive compensation.

327 **The plan is dependent upon financial goals which benefit**  
328 **shareholders and not ratepayers**

329 Q. Discuss how the plan is dependent on financial goals which benefit  
330 shareholders and not ratepayers.

331 A. The plan descriptions for all Incentive Compensation programs as provided  
332 by the Company in response to Staff data request TEE 6.04 state:

333

334

335 The plans are based on the financial performance goals of the Company.

336 These types of goals are based upon circular reasoning; that is, the larger

337 the rate increase granted, the more success Ameren will have in achieving

338 its earnings goals. Thus, Ameren will enhance its ability to award incentive

339 compensation. These goals primarily benefit shareholders; therefore,

340 shareholders should bear the cost.

341

342

343 Nowhere in that communication do they refer to any value ratepayers

344 receive as a result. This process, while providing benefits to the

345 shareholders, provides little benefit to ratepayers, since the cost of the plan

346 is included in the revenue requirement regardless of whether the

347 performance goals are met.

348 **The goals in the plan may not be met and thus no cost would be**

349 **incurred by the Company yet ratepayers would have provided**

350 **funding**

351 Q. Discuss your concern that the goals in the plan may not be met and thus no  
352 cost would be incurred by the Company yet ratepayers would have  
353 provided funding.

354 A. The 1999 test year amount is based upon the goals established and  
355 performance achieved for 1999. There is no mechanism to protect  
356 ratepayers should Ameren not achieve its 1999 level in the future. If  
357 allowed to be recovered through rates, ratepayers will pay the cost of  
358 incentive compensation whether or not Ameren incurs it. The Commission  
359 has been concerned about this issue repeatedly in the past:

360 [T]he Commission is concerned that ratepayers are not  
361 protected if IP fails to achieve the financial goals and  
362 incentive compensation payments are not made. Under that  
363 scenario, ratepayers would still pay for the incentive  
364 compensation plan if IP's position were adopted. Illinois  
365 Power Company, ICC Docket Nos. 99-0120/99-0134  
366 Consol., p. 44 (Order entered August 25, 1999).

367 Furthermore, the Commission is not persuaded that  
368 ratepayers are protected in the event that the targeted return  
369 on capital investment is not achieved. Under CILCO's  
370 proposal, ratepayers would still fund the test year level of  
371 incentive payments even if that level is not achieved. While  
372 failure to achieve the efficiencies that would result in the  
373 projected level of incentive payments may penalize individual  
374 managers, ratepayers receive no benefit from this "penalty."  
375 Shareholders, on the other hand, would benefit. Central  
376 Illinois Light Company, ICC Docket Nos. 99-0119/99-0131  
377 Consol., p. 38 (Order entered August 25, 1999).

378 Q. Has the Commission accepted similar adjustments for incentive  
379 compensation in prior Orders?

380 A. Yes. In Docket No. 93-0183 concerning Illinois Power Company, the  
381 Commission concluded since financial goals benefit shareholders,  
382 ratepayers should not have to bear the cost:

383 Two of the goals, earnings per share and reduced O & M  
384 expenses are goals that benefit shareholders. If the  
385 shareholders are the ones to benefit, they should be the ones  
386 who foot the bill. Illinois Power Company, ICC Docket No.  
387 93-0183, p. 52 (Order entered April 6, 1994).

388 And in Docket No. 99-0534 concerning MidAmerican Energy Company, the  
389 Commission reached a similar conclusion regarding ratepayer benefit from  
390 incentive compensation based on financial goals:

391 The commission is not convinced that the ratepayers are protected  
392 in the event that the targeted return on capital investment is not  
393 achieved. Ratepayers would still fund the projected levels of  
394 incentive compensation even if that level is not achieved.  
395 MidAmerican Energy Company, ICC Docket No. 99-0534, p.9  
396 (Order entered July 11, 2000).

397 **The plan is discretionary and may be discontinued at any time**

398 Q. Has the Company made any commitments to its continuance of the plan?

399 A. No. In fact, the plan description for 2001 states that

400

401

402 **There is no comparable historical data on which to determine if the**  
403 **test year level is reflective of a “normal” level**

404 Q. Discuss your difficulty in determining a “normal” level of expense for  
405 incentive compensation.

406 A. During my field audit, Company officials indicated that the incentive  
407 compensation plans had changed annually since 1998. In the response to  
408 Staff data request TEE 6.05,

409

410

411

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413

414

415 Therefore, since the structure for the pay out in the future is different from  
416 the test year, I am not able to analyze, based upon historical data, what  
417 the pay out would be in the future.

418 **Prior Commission precedent supports the disallowance of the cost of**  
419 **incentive compensation programs**

420 Q. Does precedent exist to disallow the cost of incentive compensation  
421 programs?

422 A. Yes. The Commission rejected the costs for incentive compensation plans  
423 in the following cases:

- MidAmerican Energy Company: Docket No. 99-0534;
- Illinois Power Company: Docket Nos. 99-0120/99-0134  
(Consolidated), 93-0183, and 91-0147;
- Central Illinois Light Company: Docket Nos. 99-0119/99-0131  
(Consolidated), and 94-0040;
- Consumers Illinois Water Company: Docket Nos. 95-0641, 95-  
0307/95-0342 (Consolidated); and
- Citizens Utilities Company of Illinois, Docket No. 94-0481.

**Calculation of Incentive Compensation Adjustment**

Q. Could the Company provide you with the incentive compensation expense included in the test year?

A. No. My requests to determine the amount included in the test year expense, indirectly through Staff data requests TEE 7.01 and TEE 7.02, were deemed impossible to perform by the Company. Since the entries to the specific accounts are made by the Company each month, I find it incomprehensible that the Company should state that this is an impossible task to perform.

As indicated on the Company's responses to staff data requests TEE 7.01 and TEE 7.02, attachments A and B, the Incentive Compensation is accrued monthly and is then paid to the employees early the following year. However, these accrual amounts are spread to the labor accounts buried

445 within the total salary and wage amounts. These allocations, either by  
446 direct assignment or some other allocation method, vary from month to  
447 month.

448 Q. What steps did you take to determine the amount of your adjustment to  
449 Incentive Compensation expense?

450 A. I calculated the amount of adjustment to Incentive Compensation as  
451 follows:

452 1) I determined the percentage of booked Labor expense  
453 attributable to the Incentive Compensation accrual;

454 2) I determined the amount of Incentive Compensation included in  
455 the 12/31/99 labor expense included in the Company's filing;

456 3) I determined the amount of the wage increase attributable to the  
457 Incentive Compensation included in the Company's Pro forma  
458 wage increase adjustment; and

459 4) I determined payroll taxes associated with the above total of  
460 Incentive Compensation.

461 Q. How did you determine the percentage of Labor expense attributable to the  
462 Incentive Compensation accrual?



463 A. As illustrated on Staff Exhibit 1.0, Schedule 1.11, page 4 of 4, I divided the  
464 total of the Incentive Plan accruals for 1999 as well as the true-ups  
465 applicable to the 1998 Incentive Compensation accruals for CIPS, UE, and  
466 Ameren Services Company by the total wages for each individual Company  
467 to determine an average percentage of the Incentive Compensation  
468 included in 12/31/99 Labor dollars for each Company. This was necessary  
469 due to the fact that the Incentive Compensation amount is included in Labor  
470 dollars spread to the various capital and expense accounts each month.

471 Because the Company included the true-up for 1998 in labor dollars  
472 recorded in February and March 1999, I also considered these amounts in  
473 the average percentage calculation.

474 I needed to include the Ameren Services Company ("AMS") in the  
475 calculation since Labor from Ameren Services is allocated to both CIPS  
476 and UE.

477 Q. How did you determine the amount of Incentive Compensation included in  
478 the 12/31/99 labor expense included in the Company's filing?

479 A. Staff Exhibit 1.0, Schedule 1.11, page 2 of 4 illustrates the calculation of  
480 the Incentive Compensation included in 12/31/99 labor expense. Using the  
481 Company's 12/31/99 labor expense from their workpaper WP-AD-032.9, I  
482 applied the incentive compensation percentages calculated in the first step  
483 above as well as the Company's labor allocator for A & G expenses to

484 arrive at the total Incentive Compensation included in 12/31/99 labor  
485 expense.

486 Q. Why was it necessary to calculate an amount for Incentive Compensation  
487 associated with the Company's Pro forma wage adjustment?

488 A. Since the Company recorded incentive compensation accruals monthly with  
489 the recording of labor paid through payroll, incentive compensation costs  
490 are included in all accounts that contain any payroll amounts. Therefore,  
491 the 12/31/99 Labor expense upon which the Company's Pro forma wage  
492 adjustment is based, included Incentive Compensation costs.

493 Q. How did you determine the amount of the wage increase attributable to the  
494 Incentive Compensation included in the Company's Pro forma wage  
495 increase adjustment?

496 A. Using the Company's methodology illustrated on their workpapers  
497 supporting the Company's Exhibit AD-032.9, I recalculated the Total Pro  
498 forma increase at the 3% increase level I allowed in my Annualized Wage  
499 Adjustment (Schedule 1.8). I applied the incentive compensation  
500 percentages calculated in the first step above as well as the Company's  
501 labor allocator for A & G expenses to this total pro forma increase to arrive  
502 at the total Incentive Compensation included in the Company's Pro forma  
503 wage increase adjustment. This calculation is shown on Staff Exhibit 1.0,  
504 Schedule 1.11, page 3 of 4.

505 Q. How did you determine payroll taxes associated with the above total of  
506 Incentive Compensation.

507 A. Staff Exhibit 1.0, Schedule 1.11. page 1 of 4 shows the summation of the  
508 Total Labor per Company on line 26. To this amount I applied 7.65% for  
509 payroll taxes to arrive at the total amount of payroll taxes associated with  
510 the Incentive Compensation included in the Company's filing. Since I am  
511 decreasing the labor expense on the Company's filing, it is appropriate to  
512 also decrease the applicable payroll taxes.

513 Q. If the 1999 Incentive Compensation accrual was not paid until 2000, why  
514 would you decrease payroll taxes before they were incurred?

515 A. While it is true that the payroll taxes applicable to the 1999 Incentive  
516 Compensation accrual would not be included in the Company's expenses  
517 until the year 2000 when the Incentive Compensation for 1999 was actually  
518 paid, a corresponding amount was paid in 1999 for the 1998 Incentive  
519 Compensation and is included in payroll tax expense. While I did receive  
520 the information from the Company pertaining to the total amounts for 1998  
521 Incentive Compensation actually paid in 1999 in response to Staff data  
522 request TEE 6.06, I have as yet been unable to compute the associated  
523 amount of payroll tax expense included in the Company's filing. At this  
524 time, my calculation is my estimate. If the Company is able to provide  
525 more detailed information to support the amount of payroll taxes included in

526 the filing applicable to Incentive Compensation paid in 1999, I would  
527 consider altering my adjustment.

528 **ARES BUSINESS CENTER LABOR**

529 Q. Explain ICC Staff Exhibit 1.0, Schedule 1.12, Adjustment to ARES Business  
530 Center Labor.

531 A. Schedule 1.12 shows my decreases to ARES Business Center ("ABC")  
532 Labor of \$187,00 and \$44,000 for CIPS and UE, respectively

533 1) to adjust the ARES Business Center Labor to the current pay  
534 level of the four existing employees,

535 2) to disallow the position expected to be filled in mid - 2001 since  
536 the cost for this employee is not known and measurable, and

537 3) to disallow two positions that are not expected to be filled until  
538 2002 which is beyond 12 months from the filing date of the  
539 tariffs.

540 Q. Please provide your rationale for adjusting the ARES Business Center  
541 Labor to the current pay level for the four existing employees.

542 A. I propose that the current pay level of the four existing employees is a  
543 better representation of the appropriate pay level than the level proposed  
544 by the Company. The Company proposal overstates annual salaries of the  
545 employees. The Company derived a monthly average of the total wages  
546 for the ABC Labor from a 2 month period during 2000 and then multiplied

547 by 12 to arrive at an annual salary for the 4 existing employees (Company  
548 WP-AD-032.3-1b). However, in response to Staff Data Request TEE  
549 5.06, the annual salaries for the 4 current ABC employees total an amount  
550 which is approximately \$20,000 less than Company's calculated amount.  
551 Since the actual salaries are available, actual data is a better  
552 representation of the level of expense and is thus a component of my  
553 adjustment.

554 Q. Provide your rationale to disallow the position expected to be filled in mid  
555 2001.

556 A. I disallowed the RES Account Executive position because it is not known  
557 and measurable. In response to Staff Data Request TEE 7.05, the  
558 Company states that:

559  
560

561 The Company's filing included a salary level for this new employee based  
562 on an average of the 4 positions currently filled. Since this average  
563 included the salary of the manager of the ABC, it is clearly an overstated  
564 salary level for this new employee.

565 Since

566 , the expense must be disallowed as not being known  
567 and measurable.

568 Q. Has the Commission previously ruled on Known and Measurable criteria?

569 A. Yes. The Order for Docket No. 99-0013 states on page 23:

570 As Staff witness Gorniak testified, when a utility uses a historical  
571 test year along with known and measurable changes, the underlying  
572 criteria present in DST.160 is historically used by the Commission  
573 Staff when examining any evidence submitted by a utility. (Tr. at  
574 1176 and 1433) **The Commission sees no reason to depart**  
575 **from such a well-established practice.** (emphasis added)

576 Q. Provide your rationale to disallow two positions that are not expected to be  
577 filled until 2002 which is beyond 12 months from the filing date of the tariffs

578 A. I disallowed the customer enrollment specialist and the ARES Business  
579 Specialist positions that were requested by the Company in its pro forma  
580 adjustment because the positions are not expected to be filled until 2002  
581 which is beyond 12 months from the filing date. It has been Commission  
582 practice to allow only pro forma adjustments which are reasonably certain  
583 to occur subsequent to the selected Test Year within 12 months from the  
584 filing date of the tariffs. Since this case was filed on December 15, 2000,  
585 these employees would not be hired until well after 12 months from the  
586 filing date of the tariffs and should therefore not be included in the revenue  
587 requirement.

588 **UNCOLLECTIBLE EXPENSE**

589 Q. Please describe ICC Staff Exhibit 1.0, Schedule 1.13, Adjustment to  
590 Uncollectible Expense.

591 A. Schedule 1.13 presents my adjustment to uncollectible expense applying  
592 the 5 year average rate to the Company's requested revenue. This 5 year  
593 average is a better indicator of the on-going level of expense than the one  
594 year experience used by the Company in addition to being consistent with  
595 the uncollectible rate used in the Gross Revenue Conversion Factor  
596 calculation.

597 **RATE CASE EXPENSE**

598 Q. Please describe ICC Staff Exhibit 1.0, Schedule 1.14, Adjustment to Rate  
599 Case Expense.

600 A. Schedule 1.14 presents my adjustment to rate case expense. I am  
601 adjusting rate case expense for the following areas:

- 602 • Allowance of only legal fees supported to date;
- 603 • Allowance of only fees supported for outside consultants;
- 604 • Disallowance of excessive travel expenses for Company  
605 personnel; and
- 606 • Disallowance of Company expenses.

607 Q. Discuss your allowance of only legal fees supported by invoice to date.

608 A. I am allowing legal fees only to the extent I have been able to examine  
609 support for the estimate on which the amount is based. The support  
610 provided for the outside attorney fees included in rate case expense in  
611 response to staff data request TEE 1.03 indicated that such fees were

612 based on actual experience in the initial DST case. However, upon review  
613 of the support for the initial DST case outside attorney fees provided in  
614 response to Staff data request TEE 5.05, only \$23,160 was readily  
615 identified as expense for Docket No. 99-0121, the initial DST case.

616 Q. Why did you question the amount included in the initial Delivery Service  
617 case for outside attorney fees related to rate case expense?

618 A. There were a number of issues directly related to the initial Delivery  
619 Services docket which do not come into play in the current proceeding.  
620 Among these are workshops relative to the filing requirements for the initial  
621 DST cases and the intervention of Ameren in other Delivery Services cases  
622 in progress simultaneously with Docket No. 99-0121. Since the Company  
623 stated their estimate was based on the initial DST case, I wanted to insure  
624 that costs for the additional issues in the initial DST proceeding were not  
625 included in the estimate for the current proceeding.

626 Q. What difficulties did you encounter in your review of the support for outside  
627 attorney fees provided by the Company.

628 A. The detailed invoices from the outside attorney include charges for a  
629 number of docketed cases other than 99-0121. Among these cases are

630

631

632



633

634

635 Many of the entries on the invoices did not give any indication of what case  
636 they pertained to. Examples of such entries include "Attend ICC  
637 Conference", "Review materials", "Various prefilings matters", "Review",  
638 "Work on filing", "Research for Hearings", and "File organization".

639 Q. Did you attempt to get clarification from the Company of the specific  
640 amounts attributable to the initial DST case.

641 A. Yes. A copy of Staff data request TEE 6.10, Attachment C, presents both  
642 the information requested and the Response Provided by the Company. It  
643 clearly states that the Company's belief is that all of the dockets included  
644 on the invoices represent the cost of the attorney fees relative to the initial  
645 DST case. While the costs may be **related** to the initial DST filing, these  
646 other Dockets are not on-going issues to be addressed in the current case.  
647 Therefore, costs associated with those other related dockets must not be  
648 included in the estimate for the current proceeding.

649 An example of costs included are those associated with Docket No. 99-  
650 0013. The Company has not explained how costs incurred for the Metering  
651 Unbundling case come into play in the legal fees necessary for the current  
652 DST proceeding.

653 Should the Company be able to provide more detailed and persuasive  
654 information on these attorney fees for review, I am willing to consider the  
655 additional information. However, without the necessary detail regarding  
656 these attorney fees, only the amount supported can be included as known  
657 and measurable costs.

658 Q. Discuss your allowance of only fees supported by invoice for the outside  
659 consultants.

660 A. I am allowing only fees for the outside consultants for which I have  
661 reviewed supporting invoices. The documentation provided by the  
662 Company as support for the Consultants for preparation of the filing  
663 requirements totaled \$217,566. The Company had included \$250,000 in  
664 their rate case expense calculation. I have included the difference in my  
665 adjustment.

666 Q. Discuss your adjustment for excess travel expenses for Company  
667 witnesses.

668 A. I am allowing travel expense for Company witnesses for only 4 days as  
669 opposed to the included in the Company's filing. The hearing is  
670 set for July 17 through July 20 which is a maximum of 4 days of travel. My  
671 adjustment allows only of the total included by the Company.

672 Q. Discuss your disallowance of Company overtime and printing expenses.

673 A. I am disallowing costs of printing and the overtime of Company Personnel.  
674 To allow these costs as part of Rate Case expense herein would result in  
675 double recovery of the charges by CIPS and UE. In addition, providing  
676 advice and assistance to its affiliates by the service company should be  
677 considered a normal part of Ameren Service Company's responsibility, and  
678 the costs associated with the discharge of that responsibility should be a  
679 part of CIPS' and UE's normal expense.

680 **ANNUALIZED WAGE RELATIVE TO DISTRIBUTION O&M EXPENSE**

681 Q. Explain ICC Staff Exhibit 1.0, Schedule 1.15 CIPS, Annualized Wage  
682 Adjustment for Distribution O&M Expense.  
683 A. Schedule 1.15 CIPS presents the effect of Staff Witness Hathhorn's  
684 disallowance of the Transmission reclassification to distribution (Staff  
685 Exhibit 2.0, Schedule 2.4) as it affects the annualized wage adjustment.

686 **CONCLUSION**

687 Q. Does this conclude your prepared direct testimony?  
688 A. Yes, it does.

AmerenUE AND AmerenCIPS  
ILLINOIS COMMERCE COMMISSION  
DOCKET NO. 00-0802  
DATA REQUEST NUMBER: TEE-7.01

WITNESS RESPONSIBLE: GARY S. WEISS  
JOB TITLE: SUPERVISOR, REGULATORY ACCOUNTING  
BUSINESS ADDRESS: 1901 CHOUTEAU AVENUE  
P.O. BOX 66149, MC 202  
ST. LOUIS, MISSOURI 63166-6149  
TELEPHONE NUMBER: (314) 554-3878

TEE-7.01      Assuming staff makes an adjustment decreasing Incentive Compensation by \$1,000,000, provide the effect of the adjustment by FERC Account subtotaled by line item corresponding to the Company's Exhibit AD-014 for Rate Base and Exhibit AD-029 for Operating Income for AmerenCIPS.

Response:      This is not possible to do. As Mr. Mans explained to you during your field audit, the Incentive Compensation is accrued monthly and then paid in one month in the following year. The monthly accrual is distributed each month as part of the distribution of the normal labor. The difference between the accrued amount and the actual amount is then distributed to FERC accounts in the month paid as part of the distribution of the normal labor for that month. The CIPS accounts receive not only the CIPS direct Incentive Compensation but also a portion of the AMS Incentive Compensation. The AMS labor and Incentive Compensation is distributed to FERC accounts differently than the direct CIPS amount.

AmerenUE AND AmerenCIPS  
ILLINOIS COMMERCE COMMISSION  
DOCKET NO. 00-0802  
DATA REQUEST NUMBER: TEE-7.02

WITNESS RESPONSIBLE: GARY S. WEISS  
JOB TITLE: SUPERVISOR, REGULATORY ACCOUNTING  
BUSINESS ADDRESS: 1901 CHOUTEAU AVENUE  
P.O. BOX 66149, MC 202  
ST. LOUIS, MISSOURI 63166-6149  
TELEPHONE NUMBER: (314) 554-3878

TEE-7.02      Assuming staff makes an adjustment decreasing Incentive Compensation by \$1,000,000, provide the effect of the adjustment by FERC Account subtotaled by line item corresponding to the Company's Exhibit AD-014 for Rate Base and Exhibit AD-029 for Operating Income for AmerenUE.

Response:      This is not possible to do. As Mr. Mans explained to you during your field audit, the Incentive Compensation is accrued monthly and then paid in one month in the following year. The monthly accrual is distributed each month as part of the distribution of the normal labor. The difference between the accrued amount and the actual amount is then distributed to FERC accounts in the month paid as part of the distribution of the normal labor for that month. The UE accounts receive not only the UE direct Incentive Compensation but also a portion of the AMS Incentive Compensation. The AMS labor and Incentive Compensation is distributed to FERC accounts differently than the direct UE amount.

ICC Staff Data Request  
Case No. 00-0802  
Delivery Services Tariff

No. TEE-6.10

Information Requested:

In response to staff data request TEE 5.05, staff was provided with detailed invoices from an outside attorney for the period December 1998 through October 2000. However, upon review of these invoices, it appears that a number of different cases were billed making it difficult to discern the charges for the initial DST case, which is what was requested in the data request. Please provide by invoice a breakdown of the specific charges which were attributable to the initial DST case.

Response Provided:

The outside attorney in question is out of the country and is not at present available to provide the breakdown in question, assuming that this is even feasible or appropriate. In any case, the detailed invoices provided in response to Data Request No. TEE 5.05 reflect the costs attributable to the initial DST case and generally the costs to comply with related deregulation requirements. Therefore, it is our belief that all of the dockets under the Delivery Services Tariff heading on the invoices are related to the filing of Ameren's initial delivery services tariffs.

Signed By: \_\_\_\_\_

Prepared By: Joseph H. Raybuck  
Title: Associate General Counsel

**Central Illinois Public Service Company**  
**Statement of Operating Income with Adjustments**  
For the Test Year Ending December 31, 1999  
(in thousands)

Line No.	Description	Company Pro Forma (Rev. Exh. 3.12) (B)	Staff Adjustments (St. Ex. 1.0 Schedule 1.2) (C)	Staff-Adjusted Company Pro Forma (Cols. D+E) (D)	Staff's Adjustment To Company's Proposed Revenues (E)	Staff Pro Forma Proposed (Cols. F+G) (F)
1	Operating Revenues	\$ 187,632	\$ -	\$ 187,632	\$ (18,718)	\$ 168,914
2	Other Revenue	-	-	-	-	-
3		187,632	-	187,632	(18,718)	168,914
4	Uncollectible Expense	778	6	784	(79)	705
5	Distribution	38,789	(3,119)	35,670		35,670
6	Customer Accounts	10,349	(527)	9,822	-	9,822
7	Customer Service	3,564	(698)	2,866	-	2,866
8	Administrative and General	27,398	(5,399)	21,999	-	21,999
9	Depreciation and Amortization	35,587	-	35,587	-	35,587
10	Taxes Other than Income Taxes	14,183	(580)	13,603	-	13,603
11	Total Operating Expense					
12	Before Income Taxes	130,648	(10,317)	120,331	(79)	120,252
13	State Income Tax	3,930	773	4,703	(1,361)	3,342
14	Federal Income Tax	17,466	3,431	20,897	(6,047)	14,850
15	Deferred Taxes and ITCs Net	(2,802)	-	(2,802)	-	(2,802)
16	Total Operating Expenses	149,242	(6,113)	143,129	(7,487)	135,642
17	NET OPERATING INCOME	\$ 38,390	\$ 6,113	\$ 44,503	\$ (11,231)	\$ 33,272
18	Staff Rate Base (ICC Staff Exhibit 1.0, Schedule 1.3, Column (D))					\$ 390,793
19	Staff Overall Rate of Return (ICC Staff Exhibit 4.0, Schedule 4.1)					8.51%
20	Revenue Change (Col. (F) Line 3 minus Col. (B), Line 3)					\$ (18,718)
21	Percentage Change to Company Proposed Revenues (Col. (F), Line 21 divided by Col. (B), Line 3)					-9.98%

**Central Illinois Public Service Company**  
**Adjustments to Operating Income**  
For the Test Year Ending December 31, 1999  
(in thousands)

Line No.	Description	Interest Synchronization (St. Ex. 1.0 Sched. 1.5)	Annualized Labor (St. Ex. 1.0 Sched. 1.8)	Pro forma Employee Benefits (St. Ex. 1.0 Sched. 1.9)	Employee Benefits Cost (St. Ex. 1.0 Sched. 1.10)	Incentive Compensation (St. Ex. 1.0 Sched. 1.11)	ARES Business Center Labor (St. Ex. 1.0 Sched. 1.12)	Uncollectible Expense (St. Ex. 1.0 Sched. 1.13)	Subtotal Operating Statement Adjustments (I)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenue	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-
4	Uncollectible Expense	-	-	-	-	-	-	6	6
5	Distribution	-	(10)	-	-	(894)	-	-	(904)
6	Customer Accounts	-	(13)	-	-	(353)	(187)	-	(553)
7	Customer Service	-	(2)	-	-	(43)	-	-	(45)
8	Administrative and General	-	(35)	(4,401)	(82)	(362)	-	-	(4,880)
9	Depreciation and Amortization	-	-	-	-	-	-	-	-
10	Taxes Other than Income Taxes	-	(4)	-	-	(126)	-	-	(130)
11	Total Operating Expense								
12	Before Income Taxes	-	(64)	(4,401)	(82)	(1,778)	(187)	6	(6,506)
13	State Income Tax	18	5	321	6	130	14	-	494
14	Federal Income Tax	81	21	1,428	27	577	61	(2)	2,193
15	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
16	Total Operating Expenses	99	(38)	(2,652)	(49)	(1,071)	(112)	4	(3,819)
17	NET OPERATING INCOME	\$ (99)	\$ 38	\$ 2,652	\$ 49	\$ 1,071	\$ 112	\$ (4)	\$ 3,819



**Central Illinois Public Service Company**  
**Adjustments to Operating Income**  
For the Test Year Ending December 31, 1999  
(in thousands)

Line No.	Description	Subtotal	Rate Case Expense (St. Ex. 1.0 Sched. 1.14)	Distribution O & M Annualized Labor (St. Ex. 1.0 Sched. 1.15)	Deregulation Start-up Costs (St. Ex. 2.0 Sched. 2.1)	Metering Unbundling Start-up Costs (St. Ex. 2.0 Sched. 2.2)	Distribution O & M Expense (St. Ex. 2.0 Sched. 2.4)	Customer Service Advertising (St. Ex. 3.0 Sched. 3.2)	Subtotal Operating Statement Adjustments
	(A)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)
1	Operating Revenues	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -
2	Other Revenue	-	-	-	-	-	-	-	-
3		-	-	-	-	-	-	-	-
4	Uncollectible Expense	6	-	-	-	-	-	-	6
5	Distribution	(904)	-	(35)	(57)	-	(2,123)	-	(3,119)
6	Customer Accounts	(553)	-	-	-	-	-	-	(553)
7	Customer Service	(45)	-	-	-	-	-	(653)	(698)
8	Administrative and General	(4,880)	(85)	-	(27)	(3)	-	-	(4,995)
9	Depreciation and Amortization	-	-	-	-	-	-	-	-
10	Taxes Other than Income Taxes	(130)	-	-	-	-	-	-	(130)
11	Total Operating Expense								
12	Before Income Taxes	(6,506)	(85)	(35)	(84)	(3)	(2,123)	(653)	(9,489)
13	State Income Tax	494	6	3	6	-	155	48	712
14	Federal Income Tax	2,193	28	11	27	1	689	212	3,161
15	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
16	Total Operating Expenses	(3,819)	(51)	(21)	(51)	(2)	(1,279)	(393)	(5,616)
17	NET OPERATING INCOME	\$ 3,819	\$ 51	\$ 21	\$ 51	\$ 2	\$ 1,279	\$ 393	\$ 5,616

**Central Illinois Public Service Company**  
**Adjustments to Operating Income**  
For the Test Year Ending December 31, 1999  
(in thousands)

Line No.	Description	Subtotal	General Advertising Expense (St. Ex. 3.0 Sched. 3.3)	Illinois Electric Dist. Tax (St. Ex. 3.0 Sched. 3.4)	Social and Service Club Dues (St. Ex. 3.0 Sched. 3.5)	Interest Customer Deposits (St. Ex. 3.0 Sched. 3.6)	EELobbying Expense (St. Ex. 3.0 Sched. 3.7)	Gas/Electric Allocation Prop. Taxes (St. Ex. 3.0 Sched. 3.9)	Subtotal Operating Statement Adjustments
	(A)	(R)	(S)	(T)	(U)	(V)	(W)	(X)	(Y)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenue	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-
4	Uncollectible Expense	6	-	-	-	-	-	-	6
5	Distribution	(3,119)	-	-	-	-	-	-	(3,119)
6	Customer Accounts	(553)	-	-	-	26	-	-	(527)
7	Customer Service	(698)	-	-	-	-	-	-	(698)
8	Administrative and General	(4,995)	(337)	-	(33)	-	(25)	-	(5,390)
9	Depreciation and Amortization	-	-	-	-	-	-	-	-
10	Taxes Other than Income Taxes	(130)	-	(258)	-	-	-	(141)	(529)
11	Total Operating Expense								
12	Before Income Taxes	(9,489)	(337)	(258)	(33)	26	(25)	(141)	(10,257)
13	State Income Tax	712	25	19	2	(2)	2	10	768
14	Federal Income Tax	3,161	109	84	11	(8)	8	46	3,411
15	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
16	Total Operating Expenses	(5,616)	(203)	(155)	(20)	16	(15)	(85)	(6,078)
17	NET OPERATING INCOME	\$ 5,616	\$ 203	\$ 155	\$ 20	\$ (16)	\$ 15	\$ 85	\$ 6,078

**Central Illinois Public Service Company**  
**Adjustments to Operating Income**  
For the Test Year Ending December 31, 1999  
(in thousands)

Line No.	Description	Subtotal	SGOB Property Taxes (St. Ex. 3.0 Sched. 3.10)	9th St. Property Taxes (St. Ex. 3.0 Sched. 3.11)	Charitable Contributions (St. Ex. 3.0 Sched. 3.12)	(Source)	(Source)	(Source)	Total Operating Statement Adjustments
	(A)	(Z)	(AA)	(BB)	(CC)	(DD)	(EE)	(FF)	(GG)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenue	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-
4	Uncollectible Expense	6	-	-	-	-	-	-	6
5	Distribution	(3,119)	-	-	-	-	-	-	(3,119)
6	Customer Accounts	(527)	-	-	-	-	-	-	(527)
7	Customer Service	(698)	-	-	-	-	-	-	(698)
8	Administrative and General	(5,390)	-	-	(9)	-	-	-	(5,399)
9	Depreciation and Amortization	-	-	-	-	-	-	-	-
10	Taxes Other than Income Taxes	(529)	(36)	(15)	-	-	-	-	(580)
11	Total Operating Expense								
12	Before Income Taxes	(10,257)	(36)	(15)	(9)	-	-	-	(10,317)
13	State Income Tax	768	3	1	1	-	-	-	773
14	Federal Income Tax	3,411	12	5	3	-	-	-	3,431
15	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
16	Total Operating Expenses	(6,078)	(21)	(9)	(5)	-	-	-	(6,113)
17	NET OPERATING INCOME	\$ 6,078	\$ 21	\$ 9	\$ 5	\$ -	\$ -	\$ -	\$ 6,113

**Central Illinois Public Service Company**  
**Rate Base**  
For the Test Year Ending December 31, 1999  
(in thousands)

Line No.	Description	Company Pro Forma Rate Base (Rev Exh 3.12)	Staff Adjustments (St. Ex. 1.0 Schedule 1.4)	Staff Pro Forma Rate Base (Col. B+C)
	(A)	(B)	(C)	(D)
1	Delivery Services Plant	\$ 864,167	\$ -	\$ 864,167
2	Accumulated Depreciation	<u>(380,686)</u>	<u>199</u>	<u>(380,487)</u>
3	Net Plant	483,481	199	483,680
4	Additions to Rate Base			
5	Materials and Supplies	7,635	(1,756)	5,879
6	Working Capital	1,287	(1,287)	-
7	Deferred Charges	1,956	(271)	1,685
8	Budget Plan Balances	1,603	-	1,603
9	Deductions From Rate Base			
10	Customer advances for construction	(838)	-	(838)
11	Customer deposits	(2,488)	-	(2,488)
12	Unamortized pre-1971 ITC	(33)	-	(33)
13	Accumulated deferred income taxes	<u>(98,695)</u>	<u>-</u>	<u>(98,695)</u>
#REF!	Rate Base	<u>\$ 393,908</u>	<u>\$ (3,115)</u>	<u>\$ 390,793</u>

**Central Illinois Public Service Company**  
**Adjustments to Rate Base**  
For the Test Year Ending December 31, 1999  
(in thousands)

Line No.	Description	Cash Working Capital (St. Ex. 1.0 Sched. 1.7)	Deferred System Development Costs (St. Ex. 2.0 Sched. 2.3)	Materials & Supplies (St. Ex. 3.0 Sched. 3.1)	Reserve for Depreciation (St. Ex. 3.0 Sched. 3.8)	(Source)	(Source)	(Source)	Subtotal Rate Base Adjustments
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1	Delivery Services Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Accumulated Depreciation	-	-	-	199	-	-	-	199
3	Net Plant	-	-	-	199	-	-	-	199
4	Additions to Rate Base								-
5	Materials and Supplies	-	-	(1,756)	-	-	-	-	(1,756)
6	Working Capital	(1,287)	-	-	-	-	-	-	(1,287)
7	Deferred Charges	-	(271)	-	-	-	-	-	(271)
8	Budget Plan Balances	-	-	-	-	-	-	-	-
9		-	-	-	-	-	-	-	-
10		-	-	-	-	-	-	-	-
11		-	-	-	-	-	-	-	-
12		-	-	-	-	-	-	-	-
13		-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-
15	Deductions From Rate Base	-	-	-	-	-	-	-	-
16	Customer advances for construction	-	-	-	-	-	-	-	-
17	Customer deposits	-	-	-	-	-	-	-	-
18	Unamortized pre-1971 ITC	-	-	-	-	-	-	-	-
19	Deferred Federal Income Taxes	-	-	-	-	-	-	-	-
20	Deferred State Income Taxes	-	-	-	-	-	-	-	-
21		-	-	-	-	-	-	-	-
22	Rate Base	\$ (1,287)	\$ (271)	\$ (1,756)	\$ 199	\$ -	\$ -	\$ -	\$ (3,115)

Central Illinois Public Service Company  
Interest Synchronization Adjustment  
For the Test Year Ending December 31, 1999  
(in thousands)

Line No.	Description	Amount
	(A)	(B)
1	Delivery Services Plant	\$ 390,793 (1)
2	Weighted Cost of Debt	3.23% (2)
3	Synchronized Interest Per Staff	12,634
4	Company Interest Expense	<u>12,885</u> (3)
5	Increase (Decrease) in Interest Expense	<u>(251)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 7.300%	<u>\$ 18</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ 81</u>

(1) Source: ICC Staff Ex. 1.0, Schedule 1.3, Column (D).

(2) Source: ICC Staff Exhibit 4.0, Schedule 4.1.

(3) Source: Company Exhibit AD-033.

**Central Illinois Public Service Company**  
**Gross Revenue Conversion Factor**  
 For the Test Year Ending December 31, 1999  
 (in thousands)

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(A)	(B)	(C)	(D)
1	Revenues		1.000000	
2	Uncollectibles	0.4200%	<u>0.004200</u>	
3	State Taxable Income		0.995800	1.000000
4	State Income Tax	7.3000%	<u>0.072693</u>	<u>0.073000</u>
5	Federal Taxable Income		0.923107	0.927000
6	Federal Income Tax	35.0000%	<u>0.323087</u>	<u>0.324450</u>
7	Operating Income		<u>0.600020</u>	<u>0.602550</u>
8	Gross Revenue Conversion Factor Per Staff		<u>1.666611</u>	<u>1.659613</u>

Central Illinois Public Service Company  
Adjustment to Cash Working Capital  
For the Test Year Ended December 31, 1999  
(in thousands)

<u>Line No.</u>	<u>Description</u> (A)	<u>Amount</u> (B)	<u>Source</u> (C)
1	Working Capital per Staff	\$ -	
2	Working Capital per Company	<u>1,287</u>	Ameren Exhibit AD-021
3	Staff Proposed Adjustment to Working Capital	<u><u>\$ (1,287)</u></u>	Line 1 minus line 2



Central Illinois Public Service Company  
Adjustment to Annualized Labor  
For the Test Year Ended December 31, 1999  
(in thousands)

Line No.	Description (A)	Amount (B)	Adjustment (C)	Source (D)
1	AMS Distribution per Staff	\$ 30		Schedule 1.8 CIPS, Page 2 Column (D), line 1
2	AMS Distribution per Company	40		Ameren WP-AD-032.0-1d
3	Staff Proposed Adjustment		\$ (10)	Line 1 minus line 2
4	AMS Customer Accounts per Staff	\$ 38		Schedule 1.8 CIPS, Page 2 Column (D), line 2
5	AMS Customer Accounts per Company	51		Ameren WP-AD-032.0-1d
6	Staff Proposed Adjustment		\$ (13)	Line 4 minus line 5
7	AMS Customer Serv & Info per Staff	\$ 4		Schedule 1.8 CIPS, Page 2 Column (D), line 3
8	AMS Customer Serv & Info per Company	6		Ameren WP-AD-032.0-1g
9	Staff Proposed Adjustment		\$ (2)	Line 7 minus line 8
10	Total A & G Labor per Staff	\$ 105		Schedule 1.8 CIPS, Page 2 Column (D), line 7
11	Total A & G Labor per Company	140		Schedule 1.8 CIPS, Page 2 Column (C), line 7
12	Staff Proposed Adjustment		\$ (35)	Line 10 minus line 11
13	Payroll Taxes per Staff	\$ 14		Sum of lines 1, 4, 7, 10 times 7.65%
14	Payroll Taxes per Company	18		Sum of line 2, 5, 8, and 11 times 7.65%
15	Staff Proposed Adjustment		\$ (4)	Line 13 minus line 14

Central Illinois Public Service Company  
Adjustment to Annualized Labor  
For the Test Year Ended December 31, 1999  
(in thousands)

Line No.	Description	1999 Distribution Annualized Labor	Company's Pro forma Wage Increase 07/01/2000	Staff's 3% Wage Increase (C) * 3%
	(A)	(B)	(C)	(D)
1	AMS Distribution	\$ 1,009 (1)	\$ 40 (1)	\$ 30
2	AMS Customer Accounts	1,276 (1)	51 (1)	38
3	AMS Customer Serv & Info	144 (2)	6 (2)	4
4	Total lines 1 through 3	<u>\$ 2,429</u>	<u>\$ 97</u>	<u>\$ 73</u>
5	Total A & G	<u>\$ 10,205 (2)</u>	<u>\$ 408 (2)</u>	<u>306</u>
6	A&G Labor Allocator		34.33% (3)	34.33%
7	A&G wage increase (line 5 times line 6)		<u>\$ 140</u>	<u>\$ 105</u>

Source (1): Ameren WP-AD-032.0-1d

Source (2): Ameren WP-AD-032.0-1g

Source (3): Ameren Exhibit AD-032.9

Central Illinois Public Service Company  
Adjustment to Pro forma Employee Benefits  
For the Test Year Ended December 31, 1999  
(in thousands)

Line No.	Description (A)	Amount (B)	Amount (C)	Source (D)
1	2000 Employee Benefits Expense	\$ 2,711		Schedule 1.9 CIPS, Page 2, Column (C), line 26
2	1999 Employee Benefits Expense	<u>9,321</u>		Schedule 1.9 CIPS, Page 2, Column (E), line 26
3	Net Change per Staff		\$ (6,610)	Line 1 minus line 2
4	Net Change per Company		<u>(2,209)</u>	Schedule 1.9 CIPS, Page 2, Column (F), line 26
5	Staff Proposed Adjustment		<u><u>\$ (4,401)</u></u>	Line 3 minus line 4

Central Illinois Public Service Company  
Adjustment to Pro forma Employee Benefits  
For the Test Year Ended December 31, 1999  
(in thousands)

Line No.	Description (A)	2000 Net O&M (B) (1)	56.86% Allocated to Distribution (C) (B) * 56.86%(1)	1999 Net O&M (D) (2)	34.33% Allocated to Distribution (E) (D) * 34.33% (3)	Company's Jurisdictional Prop forma Adjustment (F) (2)
1	401-K Matching Contributions	\$ 770	\$ 438	\$ 1,078	\$ 370	\$ 21
2	Group Ins - Retired	-	-	6	2	13
3	FAS - 106	2,579	1,466	10,658	3,659	(1,801)
4	Group Ins. Premium	104	61	276	95	(34)
5	Major Medical Exp.	1,827	1,072	7,002	2,404	(386)
6	Acc. Death & Dismem.	14	8	31	11	(4)
7	Dental & Optical 1455	65	38	66	23	(8)
8	Dental 1439,649 & 309	3	2	6	2	(1)
9	Grp.Maj.Med. - Mgmt - Dental	203	119	-	-	-
10	Grp.Maj.Med. - Mgmt	(1,241)	(728)	3,287	1,128	303
11	Grp.Maj.Med. Admin	39	23	28	10	3
12	medical Sal. & Exp.	-	-	1	0	189
13	personal Care HMO	28	16	121	42	(7)
14	Personal Care HMO	10	6	51	18	5
15	Community Health Plan	-	-	22	8	(1)
16	Community Health Plan	-	-	9	3	1
17	Blue Cross - South	-	-	11	4	(1)
18	Blue Cross - South	-	-	11	4	1
19	Physicians Health Plan	22	13	139	48	13
20	Sanus Health Plan	2	1	27	9	(1)
21	Sanus Health Plan	-	-	52	18	5
22	Group Health Plan	2	1	13	4	(1)
23	Group Health Plan	24	14	52	18	5
24	Long Term Disability	165	97	5	2	-
25	Retirement Plan	109	64	4,199	1,442	(523)
26	TOTAL	<u>\$ 4,725</u>	<u>\$ 2,711</u>	<u>\$ 27,151</u>	<u>\$ 9,321</u>	<u>\$ (2,209)</u>

Source (1): Ameren response to Staff data request TEE 6.09 Tab Electric page 1 of 6

Source (2): Ameren WP-AD-032.12-1a

Source (3): Ameren Exhibit AD-032.9

Source (4): Ameren response to Staff data request TEE 6.09 Tab Pensions page 1 of 4

Central Illinois Public Service Company  
Adjustment to Employee Benefits Cost  
For the Test Year Ended December 31, 1999  
(in thousands)

<u>Line No.</u>	<u>Description</u> (A)	<u>Amount</u> (B)	<u>Source</u> (C)
1	Employee Benefits Cost per Staff	<u>\$ -</u>	
2	Employee Benefits Cost per Company:		
3	Supplemental Retirement Plan	\$ 79	Ameren Exhibit AD-044, Line 4, Col (G)
4	Board of Directors Retirement	-	Ameren Exhibit AD-044, Line 14, Col (G)
5	Other Pension Plans	-	Ameren Exhibit AD-044, Line 15, Col (G)
6	Deferred Compensation Survivor Benefit	<u>3</u>	Ameren Exhibit AD-044, Line 16, Col (G)
7	Total Employee Benefits Cost Per Company	<u>\$ 82</u>	Sum of lines 3 through 6
8	Staff Proposed Adjustment	<u>\$ (82)</u>	Line 1 minus line 7

Central Illinois Public Service Company  
Adjustment to Incentive Compensation  
For the Test Year Ended December 31, 1999  
(in thousands)

Line No.	Description (A)	Amount (B)	Amount (C)	Adjustment (D)	Source (E)
1	Distribution Labor per Staff		\$ -		
2	Distribution Labor per Company				
3	Amount included in 12/99 Labor Expense	\$ 855			Page 2 Col (E), sum of lines 1 and 2
4	Amount included in Pro forma Increase	<u>39</u>			Page 3 Col (J), sum of lines 1 and 2
5	Total Distribution Labor per Company		<u>894</u>		Total of lines 3 and 4
6	Staff Proposed Adjustment to Distribution Labor			<u>\$ (894)</u>	Line 1 minus line 5
7	Cust Accounts Labor per Staff		\$ -		
8	Cust Accounts Labor per Company				
9	Amount included in 12/99 Labor Expense	\$ 337			Page 2 Col (E), sum of lines 3 and 4
10	Amount included in Pro forma Increase	<u>16</u>			Page 3 Col (J), sum of lines 3 and 4
11	Total Cust Accounts Labor per Company		<u>353</u>		Total of lines 9 and 10
12	Staff Proposed Adjustment to Cust Accounts Labor			<u>\$ (353)</u>	Line 7 minus line 11
13	Cust Serv & Info Labor per Staff		\$ -		
14	Cust Serv & Info Labor per Company				
15	Amount included in 12/99 Labor Expense	\$ 42			Page 2 Col (E), sum of lines 5 and 6
16	Amount included in Pro forma Increase	<u>2</u>			Page 3 Col (J), sum of lines 5 and 6
17	Total Cust Serv & Info Labor per Company		<u>44</u>		Total of lines 15 and 16
18	Staff Proposed Adjustment to Cust Serv & Info Labor			<u>\$ (44)</u>	Line 13 minus line 17
19	A & G Labor per Staff		\$ -		
21	A & G Labor per Company				
22	Amount included in 12/99 Labor Expense	\$ 346			Page 2 Col (E), sum of lines 7 thru 10
23	Amount included in Pro forma Increase	<u>15</u>			Page 3 Col (J), sum of lines 7 thru 10
24	Total A & G Labor per Company		<u>361</u>		Total of lines 22 and 23
25	Staff Proposed Adjustment to A & G Labor			<u>\$ (361)</u>	Line 19 minus line 24
26	Total Labor per Company	<u>\$ 1,653</u>			Total of Column (B)
27	Payroll Taxes per Staff		\$ -		
28	Payroll Taxes per Company		<u>126</u>		Line 26 times 7.65%
29	Staff Proposed Adjustment to Payroll Taxes			<u>\$ (126)</u>	Line 27 minus line 28

Central Illinois Public Service Company  
Adjustment to Incentive Compensation  
For the Test Year Ended December 31, 1999  
(in thousands)

Line No.	Description (A)	Labor Expense 12/31/1999 (B)	Percentage Distribution Allocation (C)	Incentive Compensation Allocation (D)	Incentive Compensation (B) * (C) * (D) (E)
1	CIPS Distribution	\$ 18,701	(1) 100.00%	4.0596% (6)	\$ 759
2	AMS Distribution	994	(2) 100.00%	9.6560% (7)	96
3	CIPS Cust. Accounts	5,323	(1) 100.00%	4.0596% (6)	216
4	AMS Cust Accounts	1,256	(2) 100.00%	9.6560% (7)	121
5	CIPS Cust Serv & Info	686	(3) 100.00%	4.0596% (6)	28
6	AMS Cust Serv & Info	141	(4) 100.00%	9.6560% (7)	14
7	CIPS A&G Operations	753	(3) 34.33% (5)	4.0596% (6)	10
8	CIPS A&G Maint	186	(3) 34.33% (5)	4.0596% (6)	3
9	AMS A&G Operations	9,842	(4) 34.33% (5)	9.6560% (7)	326
10	AMS A&G Maint	209	(4) 34.33% (5)	9.6560% (7)	7
					<u>\$ 1,580</u>

Source (1): Ameren workpaper WP-AD-032.9-1c

Source (2): Ameren workpaper WP-AD-032.9-1d

Source (3): Ameren workpaper WP-AD-032.9-1f

Source (4): Ameren workpaper WP-AD-032.9-1g

Source (5): Ameren Exhibit AD-032.9

Source (6): Staff Exhibit 1.0, Schedule 1.11 CIPS, Page 4 of 4, Col (C), line 9

Source (7): Staff Exhibit 1.0, Schedule 1.11 CIPS, Page 4 of 4, Col (C), line 18

Central Illinois Public Service Company  
Adjustment to Incentive Compensation  
For the Test Year Ended December 31, 1999  
(in thousands)

Line No.	Description	Labor Expense 06/30/1999	3% Pro forma Wage Inc. 07/01/1999 (B) * 3% (C)	Labor Expense 12/31/1999 (D)	Annualized 1999 Labor (C) + (D) (E)	3% Pro forma Wage Inc. 07/01/2000 (E) * 3% (F)	Total Pro forma Increase (C) + (F) (G)	Percentage Distribution Allocation (H)	Incentive Compensation Allocation (I)	Incentive Compensation Pro forma Increase (G) * (H) * (I) (J)
1	CIPS Distribution	\$ 9,462 (1)	\$ 284	\$ 18,701 (1)	\$ 18,985	\$ 570	\$ 853	100.00%	4.0596%	(6) \$ 35
2	AMS Distribution	503 (2)	15	994 (2)	1,009	30	45	100.00%	9.6560%	(7) 4
3	CIPS Cust. Accounts	2,606 (1)	78	5,323 (1)	5,401	162	240	100.00%	4.0596%	(6) 10
4	AMS Cust Accounts	664 (2)	20	1,256 (2)	1,276	38	58	100.00%	9.6560%	(7) 6
5	CIPS Cust Serv & Info	331 (3)	10	686 (3)	696	21	31	100.00%	4.0596%	(6) 1
6	AMS Cust Serv & Info	86 (4)	3	141 (4)	144	4	7	100.00%	9.6560%	(7) 1
7	CIPS A&G Operations	219 (3)	7	753 (3)	760	23	29	34.33%	(5) 4.0596%	(6) -
8	CIPS A&G Maint	95 (3)	3	186 (3)	189	6	9	34.33%	(5) 4.0596%	(6) -
9	AMS A&G Operations	5,043 (4)	151	9,842 (4)	9,993	300	451	34.33%	(5) 9.6560%	(7) 15
10	AMS A&G Maint	109 (4)	3	209 (4)	212	6	10	34.33%	(5) 9.6560%	(7) -

\$ 72

Source (1): Ameren workpaper WP-AD-032.9-1c  
Source (2): Ameren workpaper WP-AD-032.9-1d  
Source (3): Ameren workpaper WP-AD-032.9-1f  
Source (4): Ameren workpaper WP-AD-032.9-1g  
Source (5): Ameren Exhibit AD-032.9  
Source (6): Staff Exhibit 1.0, Schedule 1.11 CIPS, Page 4 of 4, Col (C), line 9  
Source (7): Staff Exhibit 1.0, Schedule 1.11 CIPS, Page 4 of 4, Col (C), line 18



Central Illinois Public Service Company  
Adjustment to Incentive Compensation  
For the Test Year Ended December 31, 1999  
(in thousands)

Line No.	Description (A)	Amount (B)	Amount (C)	Source (D)
1	CIPS Incentive Compensation included in 1999 Labor:			
2	CIPS Contract Incentive Compensation 1998 True-Up			Feb 1999 Payroll Distribution Control Report - Contract
3	CIPS Executive Incentive Compensation 1998 True-Up			Feb 1999 Payroll Distribution Control Report - Executive
4	CIPS Executive Incentive Compensation 1998 True-Up Adjustment			Mar 1999 Payroll Distribution Control Report - Executive
5	CIPS Contract Incentive Compensation Accrual			Feb 2000 Payroll Distribution Control Report - Contract
6	CIPS Executive Incentive Compensation Accrual			Feb 2000 Payroll Distribution Control Report - Executive
7	Total CIPS Incentive Compensation			Sum of lines 2 through 6
8	Total CIPS Direct Wages			December 31, 1999 FERC Form 1 p. 355
9	Incentive Compensation Percentage included in Direct Wages		<u>4.0596%</u>	Line 7 divided by line 8
10	AMS Incentive Compensation included in 1999 Labor:			
11	AMS Contract Incentive Compensation 1998 True-Up			Feb 1999 Payroll Distribution Control Report - Contract
12	AMS Executive Incentive Compensation 1998 True-Up			Feb 1999 Payroll Distribution Control Report - Executive
13	AMS Executive Incentive Compensation 1998 True-Up Adjustment			Mar 1999 Payroll Distribution Control Report - Executive
14	AMS Contract Incentive Compensation Accrual			Feb 2000 Payroll Distribution Control Report - Contract
15	AMS Executive Incentive Compensation Accrual			Feb 2000 Payroll Distribution Control Report - Executive
16	Total AMS Incentive Compensation			Sum of lines 11 through 15
17	Total AMS Direct Wages			Company workpaper WP-AD-032.12-2f
18	Incentive Compensation Percentage included in Direct Wages		<u>9.6560%</u>	Line 16 divided by line 17

Central Illinois Public Service Company  
Adjustment to ARES Business Center Labor  
For the Test Year Ended December 31, 1999  
(in thousands)

Line No.	Description (A)	Amount (B)	Source (C)
1	Annual Salaries:		
2	Director, ARES Business Center		Ameren response to staff data request TEE 5.06
3	Supervisor, Customer Enrollment		Ameren response to staff data request TEE 5.06
4	Customer Enrollment Specialist		Ameren response to staff data request TEE 5.06
5	ARES Business Specialist		Ameren response to staff data request TEE 5.06
6	Total ARES Business Center Labor per Staff		Sum of Lines 2 through 5
7	Total ARES Business Center labor per Company	493	Ameren Workpaper WP-AD-032.3-1a
8	Difference per Staff	\$ (231)	Line 6 minus line 7
9	Allocation to CIPS Jurisdictional Delivery Services	81%	Ameren Workpaper WP-AD-032.3-1a
10	Staff Proposed Adjustment	\$ (187)	Line 8 times line 9

Central Illinois Public Service Company  
 Adjustment to Uncollectible Expense  
 For the Test Year Ended December 31, 1999  
 (in thousands)

Line No.	Description (A)	Electric Operating Revenues (B)	904 Uncollectible Expense (C)	Uncollectible % (D) (B) / (C)	Source (E)
1	1999 Totals	\$ 744	\$ 3	0.40%	Company FERC Form 1
2	1998 Totals	722	4	0.55%	Company FERC Form 1
3	1997 Totals	701	4	0.57%	Company FERC Form 1
4	1996 Totals	726	2	0.28%	Company FERC Form 1
5	1995 Totals	698	2	0.29%	Company FERC Form 1
6	5 Year Average			0.42%	Sum of Column (D) lines 1 through 5 divided by 5
7	Company proposed Revenue			\$ 187,632	Ameren revised Exhibit 3.12
8	Uncollectible Expense per Staff			\$ 784	Line 6 times line 7
9	Uncollectible Expense per Company			778	Ameren Exhibit AD-030, line 26
10	Staff Proposed Adjustment to Uncollectible Expense			\$ 6	Line 8 minus line 9

Central Illinois Public Service Company  
Adjustment to Uncollectible Expense  
For the Test Year Ended December 31, 1999  
(in thousands)

Line No.	Description (A)	Amount (B)	Source (C)
1	Uncollectible Expense per Company	\$ 778	Ameren Exhibit AD-030
2	Operating Revenues per Company	<u>187,632</u>	Ameren Rev. Exhibit 3.12
3	Uncollectible Percentage per Company's filing	<u>0.41%</u>	Line 1 divided by line 2

Central Illinois Public Service Company  
 Adjustment to Rate Case Expense  
 For the Test Year Ended December 31, 1999  
 (in thousands)

Line No.	Description (A)	Amount (B)	Source (C)
1	Rate Case Expense per Staff	\$ 82	Staff Exhibit 1.0, Schedule 1.14, page 2, Column (C), line 9
2	Rate Case Expense per Company	<u>167</u>	Ameren Exhibit AD-032.1
3	Staff Proposed Adjustment to Rate Case Expense	<u><u>\$ (85)</u></u>	Line 1 minus line 2

Central Illinois Public Service Company  
Adjustment to Rate Case Expense  
For the Test Year Ended December 31, 1999  
(in thousands)

Line No.	Description (A)	Amount (B)	3 Year Amort. (C)	Source (D)
1	Outside Attorney Fees per Staff	\$ 23		Ameren response to Staff data request TEE 5.05
2	Consultants	218		Ameren response to Staff data request TEE 1.03
3	Cost of Equity Expert Witness	40		Ameren workpaper WP-AD-032.1-1a
4	Outside Printing	-		Ameren response to Staff data request TEE 5.04
5	Company witness overtime	-		
6	Company witness travel Expenses	8		Line 12
7	Unamortized Rate Case Expense	<u>204</u>		Ameren workpaper WP-AD-032.1-1a
8	Total Rate Case Expense per Staff	<u>\$ 493</u>	<u>\$ 164</u>	Line 8 Column (B) divided by 3
9	CIPS Rate Case Expense		<u>\$ 82</u>	Line 8, Column (C) divided by 2
10	Company witness travel Expense per Company	\$ 19		Ameren response to Staff data request TEE 1.03
11	4 days for Hearing out of 10 included by Company	<u>40%</u>		Ameren response to Staff data request TEE 1.03
12	Company witness travel Expense per Staff	<u>\$ 8</u>		Line 10 times line 11

Central Illinois Public Service Company  
Adjustment to Annualized Labor  
for Transmission to Distribution Reclassification  
For the Test Year Ended December 31, 1999  
(in thousands)

<u>Line No.</u>	<u>Description</u> (A)	<u>Amount</u> (B)	<u>Source</u> (C)
1	Distribution Labor Wage Increase per Staff	\$ 909	Ameren WP-AD-032.9-1h
2	Distribution Labor Wage Increase per Company	<u>944</u>	Ameren WP-AD-032.9-1a
3	Staff Proposed Adjustment	<u><u>\$ (35)</u></u>	Line 1 minus line 2

Union Electric Company  
Statement of Operating Income with Adjustments  
For the Test Year Ending December 31, 1999  
(in thousands)

Line No.	Description	Company Pro Forma (Exhibit AD-029) (B)	Staff Adjustments (St. Ex. 1.0 Schedule 1.2) (C)	Staff-Adjusted Company Pro Forma (Cols. B+C) (D)	Staff's Adjustment To Company's Proposed Revenues (E)	Staff Pro Forma Proposed (Cols. D+E) (F)
	(A)	(B)	(C)	(D)	(E)	(F)
1	Operating Revenues	\$ 34,240	\$ -	\$ 34,240	\$ (5,447)	\$ 28,793
2	Other Revenue	-	-	-	-	-
3		34,240	-	34,240	(5,447)	28,793
4	Uncollectible Expense	154	16	170	(2,724)	170
5	Distribution	5,759	(145)	5,614	-	2,890
6	Customer Accounts	2,672	(93)	2,579	-	2,579
7	Customer Service	419	(109)	310	-	310
8	Administrative and General	4,400	(326)	4,074	-	4,074
9	Depreciation and Amortization	6,527	-	6,527	-	6,527
10	Taxes Other than Income Taxes	4,227	(268)	3,959	-	3,959
11	Total Operating Expense					
12	Before Income Taxes	24,158	(925)	23,233	(2,724)	20,509
13	State Income Tax	699	57	756	(196)	560
14	Federal Income Tax	3,108	250	3,358	(884)	2,474
15	Deferred Taxes and ITCs Net	710	-	710	-	710
16	Total Operating Expenses	28,675	(618)	28,057	(3,804)	24,253
17	NET OPERATING INCOME	\$ 5,565	\$ 618	\$ 6,183	\$ (1,643)	\$ 4,540
18	Staff Rate Base (ICC Staff Exhibit 1.0, Schedule 1.3, Column (D))					\$ 51,008
19	Staff Overall Rate of Return (ICC Staff Exhibit 4.0, Schedule 4.2)					8.90%
20	Revenue Change (Col. (F) Line 3 minus Col. (B), Line 3)					\$ (5,447)
21	Percentage Change to Company Proposed Revenues (Col. (F), Line 21 divided by Col. (B), Line 3)					-15.91%



**Union Electric Company**  
**Adjustments to Operating Income**  
For the Test Year Ending December 31, 1999  
(in thousands)

Line No.	Description	Interest Synchronization (St. Ex. 1.0 Sched. 1.5)	Annualized Labor (St. Ex. 1.0 Sched. 1.8)	Pro forma Employee Benefits (St. Ex. 1.0 Sched. 1.9)	Employee Benefits Cost (St. Ex. 1.0 Sched. 1.10)	Incentive Compensation (St. Ex. 1.0 Sched. 1.11)	ARES Business Center Labor (St. Ex. 1.0 Sched. 1.12)	Uncollectible Expense (St. Ex. 1.0 Sched. 1.13)	Subtotal Operating Statement Adjustments
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenue	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-
4	Uncollectible Expense	-	-	-	-	-	-	16	16
5	Distribution	-	(2)	-	-	(129)	-	-	(131)
6	Customer Accounts	-	(17)	-	-	(82)	-	-	(99)
7	Customer Service	-	(2)	-	-	(12)	(44)	-	(58)
8	Administrative and General	-	(5)	(70)	(23)	(51)	-	-	(149)
9	Depreciation and Amortization	-	-	-	-	-	-	-	-
10	Taxes Other than Income Taxes	-	(2)	-	-	(21)	-	-	(23)
11	Total Operating Expense	-	(28)	(70)	(23)	(295)	(44)	-	(444)
12	Before Income Taxes							-	
13	State Income Tax	(12)	2	5	2	22	3	-	22
14	Federal Income Tax	(55)	9	23	7	96	14	-	94
15	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
16	Total Operating Expenses	(67)	(17)	(42)	(14)	(177)	(27)	-	(328)
17	NET OPERATING INCOME	\$ 67	\$ 17	\$ 42	\$ 14	\$ 177	\$ 27	\$ -	\$ 328

**Union Electric Company**  
**Adjustments to Operating Income**  
For the Test Year Ending December 31, 1999  
(in thousands)

Line No.	Description	Subtotal	Rate Case Expense (St. Ex. 1.0 Sched. 1.14)	Deregulation Start-up Costs (St. Ex. 2.0 Sched. 2.1)	Metering Unbundling Start Up Costs (St. Ex. 2.0 Sched. 2.2)	Advertising Expenses (St. Ex. 3.0 Sched. 3.2)	General Advertising Expenses (St. Ex. 3.0 Sched. 3.3)	Illinois Electric Dist. Tax (St. Ex. 3.0 Sched. 3.4)	Subtotal Operating Statement Adjustments
	(A)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)
1	Operating Revenues	\$ -	\$ -	\$ -				\$ -	\$ -
2	Other Revenue	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-
4	Uncollectible Expense	16	-	-	-	-	-	-	16
5	Distribution	(131)	-	(14)	-	-	-	-	(145)
6	Customer Accounts	(99)	-	-	-	-	-	-	(99)
7	Customer Service	(58)	-	-	-	(51)	-	-	(109)
8	Administrative and General	(149)	(85)	(6)	(1)	-	(73)	-	(314)
9	Depreciation and Amortization	-	-	-	-	-	-	-	-
10	Taxes Other than Income Taxes	(23)	-	-	-	-	-	(245)	(268)
11	Total Operating Expense	(444)	(85)	(20)	(1)	(51)	(73)	(245)	(919)
12	Before Income Taxes							-	
13	State Income Tax	22	6	1	-	4	5	18	56
14	Federal Income Tax	94	28	6	-	17	24	79	248
15	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
16	Total Operating Expenses	(328)	(51)	(13)	(1)	(30)	(44)	(148)	(615)
17	NET OPERATING INCOME	\$ 328	\$ 51	\$ 13	\$ 1	\$ 30	\$ 44	\$ 148	\$ 615

**Union Electric Company**  
**Adjustments to Operating Income**  
For the Test Year Ending December 31, 1999  
(in thousands)

Line No.	Description	Subtotal	Social and Service Club Dues (St. Ex. 3.0 Sched. 3.5)	Interest on Customer Deposits (St. Ex. 3.0 Sched. 3.6)	Lobbying Expense (St. Ex. 3.0 Sched. 3.7)	(Source)	(Source)	(Source)	Total Operating Statement Adjustments
	(A)	(R)	(S)	(T)	(U)	(V)	(W)	(X)	(Y)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Other Revenue	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-
4	Uncollectible Expense	16	-	-	-	-	-	-	16
5	Distribution	(145)	-	-	-	-	-	-	(145)
6	Customer Accounts	(99)	-	6	-	-	-	-	(93)
7	Customer Service	(109)	-	-	-	-	-	-	(109)
8	Administrative and General	(314)	(8)	-	(4)	-	-	-	(326)
9	Depreciation and Amortization	-	-	-	-	-	-	-	-
10	Taxes Other than Income Taxes	(268)	-	-	-	-	-	-	(268)
11	Total Operating Expense	(919)	(8)	6	(4)	-	-	-	(925)
12	Before Income Taxes								
13	State Income Tax	56	1	-	-	-	-	-	57
14	Federal Income Tax	248	3	(2)	1	-	-	-	250
15	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
16	Total Operating Expenses	(615)	(4)	4	(3)	-	-	-	(618)
17	NET OPERATING INCOME	\$ 615	\$ 4	\$ (4)	\$ 3	\$ -	\$ -	\$ -	\$ 618

**Union Electric Company**  
**Rate Base**  
For the Test Year Ending December 31, 1999  
(in thousands)

Line No.	Description	Company Pro Forma Rate Base (Exhibit AD-014)	Staff Adjustments (St. Ex. 1.0 Schedule 1.4)	Staff Pro Forma Rate Base (Col. B+C)
	(A)	(B)	(C)	(D)
1	Delivery Services Plant	\$ 150,511	\$ -	\$ 150,511
2	Accumulated Depreciation	<u>(88,139)</u>	<u>-</u>	<u>(88,139)</u>
3	Net Plant	62,372	-	62,372
4	Additions to Rate Base			
5	Fuel, Materials and Supplies	1,135	(261)	874
6	Working Capital	207	(207)	-
7	Budget Plan Balances	257	-	257
8	Deductions From Rate Base			
9	Customer advances for construction	(40)	-	(40)
10	Customer deposits	(638)	-	(638)
11	Unamortized pre-1971 ITC	(3)	-	(3)
12	Accumulated deferred income taxes	<u>(11,814)</u>	<u>-</u>	<u>(11,814)</u>
13	Rate Base	<u>\$ 51,476</u>	<u>\$ (468)</u>	<u>\$ 51,008</u>

Union Electric Company  
Adjustments to Rate Base  
For the Test Year Ending December 31, 1999  
(in thousands)

Line No.	Description	Cash Working Capital St. Ex. 1.0 Sched. 1.7	Materials and Supplies St. Ex. 3.0 Sched. 3.1	(Source)	(Source)	(Source)	(Source)	(Source)	Subtotal Rate Base Adjustments
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1	Delivery Services Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Accumulated Depreciation	-	-	-	-	-	-	-	-
3	Net Plant	-	-	-	-	-	-	-	-
4	Additions to Rate Base								-
5	Fuel, Materials and Supplies	-	(261)	-	-	-	-	-	(261)
6	Working Capital	(207)	-	-	-	-	-	-	(207)
7		-	-	-	-	-	-	-	-
8		-	-	-	-	-	-	-	-
9		-	-	-	-	-	-	-	-
10		-	-	-	-	-	-	-	-
11		-	-	-	-	-	-	-	-
12		-	-	-	-	-	-	-	-
13		-	-	-	-	-	-	-	-
14		-	-	-	-	-	-	-	-
15		-	-	-	-	-	-	-	-
16	Deductions From Rate Base	-	-	-	-	-	-	-	-
17	Customer advances for construction	-	-	-	-	-	-	-	-
18	Customer deposits	-	-	-	-	-	-	-	-
19	Deferred Federal Income Taxes	-	-	-	-	-	-	-	-
20	Deferred State Income Taxes	-	-	-	-	-	-	-	-
21		-	-	-	-	-	-	-	-
22	RATE BASE	\$ (207)	\$ (261)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (468)

Union Electric Company  
 Interest Synchronization Adjustment  
 For the Test Year Ending December 31, 1999  
 (in thousands)

Line No.	Description	Amount
	(a)	(b)
1	Delivery Services Plant	\$ 51,008 (1)
2	Weighted Cost of Debt	3.40% (2)
3	Synchronized Interest Per Staff	1,732
4	Company Interest Expense	<u>1,561</u> (3)
5	Increase (Decrease) in Interest Expense	<u>171</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 7.300%	<u>\$ (12)</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ (55)</u>

(1) Source: ICC Staff Ex. 1.0, Schedule 1.3, Column (D).

(2) Source: ICC Staff Exhibit 4.0, Schedule 4.2.

(3) Source: Company Exhibit AD-033.

Union Electric Company  
 Gross Revenue Conversion Factor  
 For the Test Year Ending December 31, 1999  
 (in thousands)

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	
2	Uncollectibles	50.0000%	<u>0.500000</u>	
3	State Taxable Income		0.500000	1.000000
4	State Income Tax	7.3000%	<u>0.036500</u>	<u>0.073000</u>
5	Federal Taxable Income		0.463500	0.927000
6	Federal Income Tax	35.0000%	<u>0.162225</u>	<u>0.324450</u>
7	Operating Income		<u>0.301275</u>	<u>0.602550</u>
8	Gross Revenue Conversion Factor Per Staff		<u>3.319227</u>	<u>1.659613</u>

Union Electric Company  
Adjustment to Cash Working Capital  
For the Test Year Ended December 31, 1999  
(in thousands)

<u>Line No.</u>	<u>Description</u> (A)	<u>Amount</u> (B)	<u>Source</u> (C)
1	Working Capital per Staff	\$ -	
2	Working Capital per Company	<u>207</u>	Ameren Exhibit AD-021
3	Staff Proposed Adjustment to Working Capital	<u><u>\$ (207)</u></u>	Line 1 minus line 2



Union Electric Company  
Adjustment to Annualized Labor  
For the Test Year Ended December 31, 1999  
(in thousands)

<u>Line No.</u>	<u>Description</u> (A)	<u>Amount</u> (B)	<u>Adjustment</u> (C)	<u>Source</u> (D)
1	AMS IL Distribution per Staff	\$ 6		Schedule 1.8 UE, Page 2 Column (D), line 2
2	AMS IL Distribution per Company	<u>8</u>		Ameren WP-AD-032.9-1b
3	Staff Proposed Adjustment		<u>\$ (2)</u>	Line 1 minus line 2
4	UE IL Customer Accounts per Staff	\$ 41		Schedule 1.8 UE, Page 2 Column (D), line 1
5	AMS IL Customer Accounts per Staff	8		Schedule 1.8 UE, Page 2 Column (D), line 3
6	UE IL Customer Accounts per Company	55		Ameren WP-AD-032.9-1c
7	AMS IL Customer Accounts per Company	<u>11</u>		Ameren WP-AD-032.9-1c
8	Staff Proposed Adjustment		<u>\$ (17)</u>	Sum of line 4 and 5 minus the sum of lines 6 and 7
9	UE IL Customer Serv & Info per Staff	\$ 6		Schedule 1.8 UE, Page 2 Column (D), line 4
10	AMS IL Customer Service & Info per Staff	1		Schedule 1.8 UE, Page 2 Column (D), line 5
11	UE IL Customer Serv & Info per Company	8		Ameren WP-AD-032.9-1e
12	AMS IL Customer Service & Info per Company	<u>1</u>		Ameren WP-AD-032.9-1f
13	Staff Proposed Adjustment		<u>\$ (2)</u>	Sum of line 9 and 10 minus the sum of line 11 and 12
14	A&G wage increase per Staff	\$ 16		Schedule 1.8 UE, Page 2 Column (D), line 9
15	A&G wage increase per Company	<u>21</u>		Schedule 1.8 UE, Page 2 Column (C), line 9
16	Staff Proposed Adjustment		<u>\$ (5)</u>	Line 14 minus line 15
17	Payroll Taxes per Staff	\$ 6		Sum of lines 1,4,5,9,10, and 14 times 7.65%
18	Payroll Taxes per Company	<u>8</u>		Sum of line 2,6,7,11, 12, and 15 times 7.65%
19	Staff Proposed Adjustment		<u>\$ (2)</u>	Line 17 minus line 18

Union Electric Company  
Adjustment to Annualized Labor  
For the Test Year Ended December 31, 1999  
(in thousands)

Line No.	Description	1999 Distribution Annualized Labor	Company's Pro forma Wage Increase 07/01/2000	Staff's 3% Wage Increase (C) * 3%
	(A)	(B)	(C)	(D)
1	UE IL Customer Accounts	\$ 1,381 (1)	\$ 55 (1)	\$ 41
2	AMS IL Distribution	209 (2)	8 (2)	6
3	AMS IL Customer Accounts	269 (2)	11 (2)	8
4	UE IL Customer Serv & Info	207 (3)	8 (3)	6
5	AMS IL Customer Service & Info	33 (4)	1 (4)	1
6	Total of lines 1 through 5	<u>\$ 2,099</u>	<u>\$ 83</u>	<u>\$ 63</u>
7	Total A&G	\$ 25,551 (5)	\$ 1,022 (5)	\$ 767
8	A&G Labor Allocator		<u>2.06% (6)</u>	<u>2.06%</u>
9	A&G wage increase (line 7 times line 8)		<u>\$ 21</u>	<u>\$ 16</u>

Source (1): Ameren WP-AD-032.9-1b  
Source (2): Ameren WP-AD-032.9-1c  
Source (3): Ameren WP-AD-032.9-1e  
Source (4): Ameren WP-AD-032.9-1f  
Source (5): Ameren WP-AD-032.9-2a  
Source (6): Ameren Exhibit AD-032.9

Union Electric Company  
 Adjustment to Pro forma Employee Benefits  
 For the Test Year Ended December 31, 1999  
 (in thousands)

Line No.	Description (A)	Amount (B)	Amount (C)	Source (D)
1	2000 Employee Benefits Expense	\$ 1,492		Schedule 1.9 CIPS, Page 2, Column (C), line 26
2	1999 Employee Benefits Expense	<u>1,396</u>		Schedule 1.9 CIPS, Page 2, Column (E), line 26
3	Net Change per Staff		\$ 96	Line 1 minus line 2
4	Net Change per Company		<u>166</u>	Schedule 1.9 CIPS, Page 2, Column (F), line 26
5	Staff Proposed Adjustment		<u><u>\$ (70)</u></u>	Line 3 minus line 4

Union Electric Company  
Adjustment to Pro forma Employee Benefits  
For the Test Year Ended December 31, 1999  
(in thousands)

Line No.	Description (A)	2000 Net O&M (B) (1)	2.10% Allocated to Distribution (C) (B) * 2.10% (1)	1999 Net O&M (D) (2)	2.06% Allocated to Distribution (E) (D) * 34.33% (2)	Company's Jurisdictional Prop forma Adjustment (F) (2)
1	401-K Matching Contributions	\$ 7,365	\$ 155	\$ 6,020	\$ 124	\$ 50
3	FAS - 106	40,155	843	27,401	564	102
4	Group Ins. Premium	224	5	(119)	(2)	39
5	Major Medical Exp.	12,465	262	9,329	192	29
6	Acc. Death & Dismem.	113	2	106	2	(34)
7	Dental & Optical 1455	1,177	25	1,477	30	(9)
8	Dental 1439,649 & 309	714	15	701	14	(4)
9	Grp.Maj.Med. - mMgmt-Dental	780	16	-	-	-
10	Grp.Maj.Med. - Mgmt	5,186	109	4,189	86	33
11	Grp.Maj.Med. Admin	169	4	172	4	1
12	medical Sal. & Exp.	1	0	2	0	29
13	personal Care HMO	3	0	3	0	-
14	Personal Care HMO	3	0	5	0	-
15	Community Health Plan	-	-	2	0	-
16	Community Health Plan	-	-	-	-	-
17	Blue Cross - South	-	-	-	-	-
18	Blue Cross - South	-	-	-	-	-
19	Physicians Health Plan	339	7	1,118	23	9
20	Sanus Health Plan	341	7	1,675	35	5
21	Sanus Health Plan	-	-	416	9	3
22	Group Health Plan	245	5	827	17	3
23	Group Health Plan	301	6	418	9	3
24	Long Term Disability	980	21	1,049	22	12
25	Retirement Plan	490	(4) 10	12,967	267	(105)
26	TOTAL	<u>\$ 71,051</u>	<u>\$ 1,492</u>	<u>\$ 67,758</u>	<u>\$ 1,396</u>	<u>\$ 166</u>

Source (1): Ameren response to Staff data request TEE 6.09 Tab Electric page 1 of 8

Source (2): Ameren WP-AD-032.10-1a

Source (3): Ameren Exhibit AD-032.9

Source (4): Ameren response to Staff data request TEE 6.09 Tab Pensions page 1 of 4

Union Electric Company  
Adjustment to Employee Benefits Cost  
For the Test Year Ended December 31, 1999  
(in thousands)

<u>Line No.</u>	<u>Description</u> (A)	<u>Amount</u> (B)	<u>Source</u> (C)
1	Employee Benefits Cost per Staff	<u>\$ -</u>	
2	Employee Benefits Cost per Company:		
3	Supplemental Retirement Plan	\$ 18	Ameren Exhibit AD-044, Line 4, Col (G)
4	Board of Directors Retirement	1	Ameren Exhibit AD-044, Line 15, Col (G)
5	Other Pension Plans	3	Ameren Exhibit AD-044, Line 16, Col (G)
6	Deferred Compensation Survivor Benefit	<u>1</u>	Ameren Exhibit AD-044, Line 17, Col (G)
7	Total Employee Benefits Cost Per Company	<u>\$ 23</u>	Sum of lines 3 through 6
8	Staff Proposed Adjustment	<u>\$ (23)</u>	Line 1 minus line 7

Union Electric Company  
Adjustment to Incentive Compensation  
For the Test Year Ended December 31, 1999  
(in thousands)

Line No.	Description (A)	Amount (B)	Amount (C)	Adjustment (D)	Source (E)
1	Distribution Labor per Staff		\$ -		
2	Distribution Labor per Company				
3	Amount included in 12/99 Labor Expense	\$ 123			Page 2 Col (E), sum of lines 1 and 2
4	Amount included in Pro forma Increase	<u>6</u>			Page 3 Col (J), sum of lines 1 and 2
5	Total Distribution Labor per Company		<u>129</u>		Total of lines 3 and 4
6	Staff Proposed Adjustment to Distribution Labor			<u>\$ (129)</u>	Line 1 minus line 5
7	Cust Accounts Labor per Staff		\$ -		
8	Cust Accounts Labor per Company				
9	Amount included in 12/99 Labor Expense	\$ 79			Page 2 Col (E), sum of lines 3 and 4
10	Amount included in Pro forma Increase	<u>3</u>			Page 3 Col (J), sum of lines 3 and 4
11	Total Cust Accounts Labor per Company		<u>82</u>		Total of lines 9 and 10
12	Staff Proposed Adjustment to Cust Accounts Labor			<u>\$ (82)</u>	Line 7 minus line 11
13	Cust Serv & Info Labor per Staff		\$ -		
14	Cust Serv & Info Labor per Company				
15	Amount included in 12/99 Labor Expense	\$ 11			Page 2 Col (E), sum of lines 5 and 6
16	Amount included in Pro forma Increase	<u>-</u>			Page 3 Col (J), sum of lines 5 and 6
17	Total Cust Serv & Info Labor per Company		<u>11</u>		Total of lines 15 and 16
18	Staff Proposed Adjustment to Cust Serv & Info Labor			<u>\$ (11)</u>	Line 13 minus line 17
19	A & G Labor per Staff		\$ -		
21	A & G Labor per Company				
22	Amount included in 12/99 Labor Expense	\$ 48			Page 2 Col (E), sum of lines 7 and 8
23	Amount included in Pro forma Increase	<u>2</u>			Page 3 Col (J), sum of lines 7 and 8
24	Total A & G Labor per Company		<u>50</u>		Total of lines 22 and 23
25	Staff Proposed Adjustment to A & G Labor			<u>\$ (50)</u>	Line 19 minus line 24
26	Total Labor per Company	<u>\$ 272</u>			Total of Column (B)
27	Payroll Taxes per Staff		\$ -		
28	Payroll Taxes per Company		<u>21</u>		Line 26 times 7.65%
29	Staff Proposed Adjustment to Payroll Taxes			<u>\$ (21)</u>	Line 27 minus line 28

Union Electric Company  
Adjustment to Incentive Compensation  
For the Test Year Ended December 31, 1999  
(in thousands)

Line No.	Description (A)	Labor Expense 12/31/1999 (B)	Percentage Distribution Allocation (C)	Incentive Compensation Allocation (D)	Incentive Compensation (B) * (C) * (D) (E)
1	UE ILL Distribution	\$ 2,649	(1) 100.00%	3.9019% (7)	\$ 103
2	AMS ILL Distribution	206	(2) 100.00%	9.6560% (8)	20
3	UE ILL Cust. Accounts	1,360	(1) 100.00%	3.9019% (7)	53
4	AMS ILL Cust Accounts	265	(2) 100.00%	9.6560% (8)	26
5	UE ILL Cust Serv & Info	204	(3) 100.00%	3.9019% (7)	8
6	AMS ILL Cust Serv & Info	32	(4) 100.00%	9.6560% (8)	3
7	UEC Electric O&M A&G	1,349	(5) 2.06%	(6) 3.9019% (7)	1
8	AMS Electric O&M A&G	23,845	(5) 2.06%	(6) 9.6560% (8)	47
					<u>\$ 261</u>

Source (1): Ameren workpaper WP-AD-032.9-1b  
Source (2): Ameren workpaper WP-AD-032.9-1c  
Source (3): Ameren workpaper WP-AD-032.9-1e  
Source (4): Ameren workpaper WP-AD-032.9-1f  
Source (5): Ameren workpaper WP-AD-032.9-2a  
Source (6): Ameren Exhibit AD-032.9  
Source (7): Staff Exhibit 1.0, Schedule 1.11 UE, Page 4 of 4, Col (C), line 9  
Source (8): Staff Exhibit 1.0, Schedule 1.11 UE, Page 4 of 4, Col (C), line 18

Union Electric Company  
Adjustment to Incentive Compensation  
For the Test Year Ended December 31, 1999  
(in thousands)

Line No.	Description	Labor Expense 06/30/1999	3% Pro forma Wage Inc. 07/01/1999 (B) * 3%	Labor Expense 12/31/1999	Annualized Labor 1999 (C) + (D)	3% Pro forma Wage Inc. 07/01/2000 (E) * 3%	Total Pro forma Increase (C) + (F)	Percentage Distribution Allocation	Incentive Compensation Allocation	Incentive Compensation Pro forma Increase (G) * (H) * (I)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
1	UE ILL Distribution	\$ 1,345 (1)	\$ 40	\$ 2,649 (1)	\$ 2,689	\$ 81	\$ 121	100.00%	3.9019%	(7) \$ 5
2	AMS ILL Distribution	104 (2)	3	206 (2)	209	6	9	100.00%	9.6560%	(8) 1
3	UE ILL Cust. Accounts	685 (1)	21	1,360 (1)	1,381	41	62	100.00%	3.9019%	(7) 2
4	AMS ILL Cust Accounts	135 (2)	4	265 (2)	269	8	12	100.00%	9.6560%	(8) 1
5	UE ILL Cust Serv & Info	104 (3)	3	204 (3)	207	6	9	100.00%	3.9019%	(7) 0
6	AMS ILL Cust Serv & Info	20 (4)	1	32 (4)	33	1	2	100.00%	9.6560%	(8) 0
7	UEC Electric O&M A&G	(436) (5)	(13)	1,349 (5)	1,336	40	27	2.06% (6)	3.9019%	(7) 0
8	AMS Electric O&M A&G	12,328 (5)	370	23,845 (5)	24,215	726	1,096	2.06% (6)	9.6560%	(8) 2
										<u>\$ 12</u>

Source (1): Ameren workpaper WP-AD-032.9-1b  
Source (2): Ameren workpaper WP-AD-032.9-1c  
Source (3): Ameren workpaper WP-AD-032.9-1e  
Source (4): Ameren workpaper WP-AD-032.9-1f  
Source (5): Ameren workpaper WP-AD-032.9-2a  
Source (6): Ameren Exhibit AD-032.9  
Source (7): Staff Exhibit 1.0, Schedule 1.11 UE, Page 4 of 4, Col (C), line 9  
Source (8): Staff Exhibit 1.0, Schedule 1.11 UE, Page 4 of 4, Col (C), line 18



Union Electric Company  
Adjustment to Incentive Compensation  
For the Test Year Ended December 31, 1999  
(in thousands)

<u>Line No.</u>	<u>Description</u> (A)	<u>Sub-Amount</u> (B)	<u>Amount</u> (C)	<u>Source</u> (D)
1	UE Incentive Compensation included in 1999 Labor:			
2	UE Contract Incentive Compensation 1998 True-Up			Feb 1999 Payroll Distribution Control Report - Contract
3	UE Executive Incentive Compensation 1998 True-Up			Feb 1999 Payroll Distribution Control Report - Executive
4	UE Executive Incentive Compensation 1998 True-Up Adjustm			Mar 1999 Payroll Distribution Control Report - Executive
5	UE Contract Incentive Compensation Accrual			Feb 2000 Payroll Distribution Control Report - Contract
6	UE Executive Incentive Compensation Accrual			Feb 2000 Payroll Distribution Control Report - Executive
7	Total UE Incentive Compensation			Sum of lines 1 through 6
8	Total UE Direct Wages			December 31, 1999 FERC Form 1 p. 355
9	Incentive Compensation Percentage included in Direct Wages		<u>3.9019%</u>	Line 7 divided by line 8
10	AMS Incentive Compenstaion included in 1999 Labor:			
11	AMS Contract Incentive Compensation 1998 True-Up			Feb 1999 Payroll Distribution Control Report - Contract
12	AMS Executive Incentive Compensation 1998 True-Up			Feb 1999 Payroll Distribution Control Report - Executive
13	AMS Executive Incentive Compensation 1998 True-Up Adjustr			Mar 1999 Payroll Distribution Control Report - Executive
14	AMS Contract Incentive Compensation Accrual			Feb 2000 Payroll Distribution Control Report - Contract
15	AMS Executive Incentive Compensation Accrual			Feb 2000 Payroll Distribution Control Report - Executive
16	Total AMS Incentive Compensation			Sum of lines 11 through 15
17	Total AMS Direct Wages			Ameren workpaper WP-AD-032.12-2f
18	Incentive Compensation Percentage included in Direct Wages		<u>9.6560%</u>	Line 16 divided by line17

Union Electric Company  
Adjustment to ARES Business Center labor  
For the Test Year Ended December 31, 1999  
(in thousands)

Line No.	Description (A)	Amount (B)	Source (C)
1	Annual Salaries:		
2	Director, ARES Business Center		Ameren response to staff data request TEE 5.06
3	Supervisor, Customer Enrollment		Ameren response to staff data request TEE 5.06
4	Customer Enrollment Specialist		Ameren response to staff data request TEE 5.06
5	ARES Business Specialist		Ameren response to staff data request TEE 5.06
6	Total ARES Business Center Labor per Staff		Sum of Lines 2 through 5
7	Total ARES Business Center labor per Company	493	Ameren Workpaper WP-AD-032.3-1a
8	Total Adjustment to Labor per Staff	\$ (231)	Line 6 minus line 7
9	Allocation to CIPS Jurisdictional Delivery Services	19%	Ameren Workpaper WP-AD-032.3-1a
10	Staff Proposed Adjustment	\$ (44)	Line 8 times line 9

Union Electric Company  
Adjustment to Uncollectible Expense  
For the Test Year Ended December 31, 1999  
(in thousands)

Line No.	Description (A)	Electric Operating Revenues (B)	904 Uncollectible Expense (C)	Uncollectible % (D) (B) / (C)	Source (E)
1	1999 Totals	\$ 2,275	\$ 8	0.35%	Company FERC Form 1
2	1998 Totals	2,291	16	0.70%	Company FERC Form 1
3	1997 Totals	2,189	10	0.46%	Company FERC Form 1
4	1996 Totals	2,161	11	0.51%	Company FERC Form 1
5	1995 Totals	2,154	10	0.46%	Company FERC Form 1
6	5 Year Average			0.50%	Sum of Column (D) lines 1 through 5 divided by 5
7	Company proposed Revenue			<u>\$ 34,240</u>	Ameren revised Exhibit 3.12
8	Uncollectible Expense per Staff			\$ 170	Line 6 times line 7
9	Uncollectible Expense per Company			<u>154</u>	Ameren Exhibit AD-030, line 23
10	Staff Proposed Adjustment to Uncollectible Expense			<u><u>\$ 16</u></u>	Line 8 minus line 9

Union Electric Company  
Adjustment to Uncollectible Expense  
For the Test Year Ended December 31, 1999  
(in thousands)

Line  
No.

	<u>Description</u> (A)	<u>Amount</u> (B)	Source (C)
1	Uncollectible Expense per Company	\$ 154	Ameren Exhibit AD-030
2	Operating Revenues per Company	<u>34,240</u>	Ameren Rev. Exhibit 3.12
3	Uncollectible Percentage per Company's filing	<u>0.45%</u>	Line 1 divided by line 2

Union Electric Company  
 Adjustment to Rate Case Expense  
 For the Test Year Ended December 31, 1999  
 (in thousands)

Line No.	Description (A)	Amount (B)	Source (C)
1	Rate Case Expense per Staff	\$ 82	Staff Exhibit 1.0, Schedule 1.14, page 2, column (C), line 9
2	Rate Case Expense per Company	<u>167</u>	Ameren Exhibit AD-032.1
3	Staff Proposed Adjustment to Rate Case Expense	<u>\$ (85)</u>	Line 1 minus line 2

Union Electric Company  
Adjustment to Rate Case Expense  
For the Test Year Ended December 31, 1999  
(in thousands)

Line No.	Description (A)	Amount (B)	3 Year Amort. (C)	Source (D)
1	Outside Attorney Fees per Staff	\$ 23		Ameren response to Staff data request TEE 5.05
2	Consultants	218		Ameren response to Staff data request TEE 1.03
3	Cost of Equity Expert Witness	40		Ameren workpaper WP-AD-032.1-1a
4	Outside Printing	-		Ameren response to Staff data request TEE 5.04
5	Company witness overtime	-		
6	Company witness travel Expenses	8		Line 12
7	Unamortized Rate Case Expense	<u>204</u>		Ameren workpaper WP-AD-032.1-1a
8	Total Rate Case Expense per Staff	<u>\$ 493</u>	<u>\$ 164</u>	Line 8 Column (B) divided by 3
9	UE Rate Case Expense		<u>\$ 82</u>	Line 8, Column (C) divided by 2
10	Company witness travel Expense per Company	\$ 19		Ameren response to Staff data request TEE 1.03
11	4 days for Hearing out of 10 included by Company	<u>40%</u>		Ameren response to Staff data request TEE 1.03
12	Company witness travel Expense per Staff	<u>\$ 8</u>		Line 10 times line 11